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2nd CONVENTION DAILY

B-40

The National Underwriter

LIFE INSURANCE EDITION

THURSDAY, SEPTEMBER 19, 1935

THIS IS *Life Underwriters'* WEEK

In the life insurance business one week in the year belongs to the life underwriter. That is the week of the annual convention of the National Association of Life Underwriters now being held here in Des Moines. This week is a great week in the life insurance business, and we salute the National Association of Life Underwriters as a profound influence for the betterment and progress of the life insurance business.

Thousands of leading life insurance salesmen of America are here to attend this convention. They are not only leaders in their own business, but they are prominent and influential citizens in their own communities. They represent that great army of life insurance salesmen who are playing a prime part in building up the institution of life insurance as an increasingly important factor in the progress of the United States toward greater social security.

Whenever it is a question of what is best for life insurance policyholders and the best interests of the life insurance business, the life underwriters of America are always on the right side. They are a constructive element of the greatest importance in the economic system of the United States. So we salute them and their organization and we welcome them to Des Moines and Iowa, not only in behalf of the life insurance business in Iowa, but also in behalf of the people of the state because we know that every Iowan will be glad to extend them the hand of friendly hospitality.



BANKERS LIFE COMPANY

GERARD S. NOLLEN, President

DES MOINES - IOWA

Over half a century
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agents and policy
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contracts built on
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ciples of expansion
inaugurated at the
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of greater service.

The **FRANKLIN**
LIFE INSURANCE CO.

SPRINGFIELD, ILLINOIS



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Continental Assurance . . .
now in its 25th year . . . con-
tinues steadfastly in growth
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Jubilee Drive has especial
attractions for aggressive
agents with high standards
. . . Present low rates con-
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Continental
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C H I C A G O

The National Underwriter

LIFE INSURANCE EDITION

Boston Is Selected For 1936 Convention

Only Contest As To Officers On Trustees

Owen's Elimination Is Great Surprise—Major Officers Selected by Acclamation

VOTE ON CITY DECISIVE

Houston Moves to Make Choice Unanimous—Elaborate Precautions Taken on Balloting

Convention Headquarters, Des Moines, Sept. 19.

The selection of Boston over Houston as the 1936 convention city of the National Association of Life Underwriters by an overwhelming vote, the selection by acclamation of the list of major officers to be recommended to the convention for final vote on Friday and a sharp fight over the selection of trustees, resulting in the unexpected elimination of Ernest W. Owen of Detroit, featured the adjourned meeting of the national council late Wednesday afternoon.

Convention Fight Big Issue

The fight over the convention city, of course, held the center of the stage. The entire procedure in that connection had been agreed to in advance by the managers of the two cities, who were called into conference for that purpose on Wednesday morning by President Riehle. In order to eliminate any possible advantage in the order in which the two contending cities should present their claims, slips were prepared on which the names of Boston and Houston were written and a coin was tossed to decide which of the managers should draw the slip indicating a city that was to present its arguments first. Houston won the toss, but its representative drew the slip carrying the name of Boston, which gave that city the opening argument in behalf of its selection for next year. Each side was limited to thirty minutes for its main presentation, together with rebuttal and surrebuttal, if any such be found necessary.

Before opening up the matter for discussion, President Riehle read the section of the by-laws which referred to the selection of the convention city, rather emphasizing the statement that consideration shall be given to geographical distribution.

Clark Opens For Boston

Paul F. Clark, general agent of the John Hancock Mutual in Boston, and former national president, who was general chairman of the New England convention committee, opened the case for his city. He mentioned that Boston had now extended an invitation for the convention for three successive years and this time desired to convince the National association that it was

Slate Recommended by National Council

PRESIDENT

Lester O. Schriver, Aetna Life, Peoria, Ill.

VICE-PRESIDENT

Alexander E. Patterson, Penn Mutual Life, Chicago

SECRETARY

O. Sam Cummings, Kansas City Life, Dallas, Tex.

TREASURER

Robert L. Jones, State Mutual Life, New York

TRUSTEES

Ernest A. Crane, Northwestern Mutual Life, Indianapolis; Charles J. Zimmerman, Connecticut Mutual Life, Newark; Frank B. Summers, New York Life, Omaha; Philip G. Young, Metropolitan Life, San Francisco; John A. Witherspoon, Pacific Mutual Life, Nashville, Tenn.; C. Vivian Anderson, Provident Mutual Life, Cincinnati.

really in earnest in extending the invitation. He said that the invitation was extended on behalf of the 23 New England associations, the 18 legal reserve life companies domiciled in New England and the six New England states. He mentioned the telegram from the six New England governors, told of Boston's hotel facilities, emphasized the numerous historic spots in its vicinity and said that next year will be one of especial interest there on account of the celebration of the 300th anniversary of the founding of Harvard college and the start of higher education in the United States. He said that Boston is really the birthplace of American life insurance and also the birthplace of the National association. He pledged an increase of 1,000 members for the National association from the New England states if the convention should be held in Boston next year and offered to back it up with a forfeit of \$3 per head if that promise were not carried out.

Hunt Speaks for Companies

George L. Hunt of the New England Mutual Life, a former vice-president of the National association, then spoke for the New England companies. Charles C. Gilman, National Life of Vermont, Boston, told of the entertainment plans. George H. Tracy, Boston general agent of the Fidelity Mutual Life and president of the Massachusetts association, seconded the invitation on behalf of that body and Ben H. Badenoch, Northwestern Mutual Life, did likewise on behalf of the Boston association, of which he is president. Brief seconding talks were also made by the national executive committeemen from Maine, New Hampshire, Vermont, Rhode Island, and Connecticut and by Julian S. Myrick for the New York contingent.

Boston Mayor Phones Invitation

The climax of the Boston presentation was a verbal invitation from Mayor F. W. Mansfield of that city, delivered

over a telephone hook-up and presented to the council through loud speakers installed on the stage.

H. Kenneth Cassidy, general agent of the Pacific Mutual Life in Houston, and chairman of the Texas committee which has been conducting the convention campaign for his home city, was the chief spokesman for that city. He based his argument primarily on the fact that the centennial of Texas independence is being observed next year and that the state particularly desires to have the members of the National association as its guests at that time, and the fact that the south and the southwest have not had adequate representation among the National association convention cities in the past. He backed up the latter argument with an immense map of the United States, which was held aloft by several members of the Texas delegation standing on chairs on the stage. On it were marked in black all of the states where national conventions have ever been held, with figures on each of these states showing the number of conventions it has had.

Emphasizes San Jacinto

On the historical side, he mentioned the close proximity to Houston of the battlefield of San Jacinto, where the Texans under Gen. Sam Houston defeated and captured the Mexican dictator, Santa Ana, despite the fact that he had a much larger force under his command. He said that some authorities rate this as the tenth in importance in the battles of history, while the lowest estimate which he cited put it sixteenth. He told of the importance, from various standpoints, of Houston, now the second largest city in the south. He offered to duplicate Mr. Clarke's pledge of 1,000 new members from Texas, Louisiana, Oklahoma and Arkansas, constituting the great southwest.

His invitation was backed up by Bar-

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Much Inspiration In Short Session

Following Morning Program Conventioners Take Possession of Amusement Park

VITAL SUBJECTS COVERED

American College Exercises Conducted—Dawson, Spencer, Hodgman, Wright and Todd Are Heard

Convention Headquarters, Des Moines, Sept. 19.

The second day session of the convention of the National Association of Life Underwriters in Des Moines opened with a small attendance, since the hotels were roaring until a late hour the previous night with the conventioners in a celebrating mood for the president's ball. Furthermore a good many turned over for another hour of sleep since the initial part of the program today was the conferment exercises of the American College of Life Underwriters—a feature of intense interest to those close to the institution but one that does not attract the case-hardened conventioneer.

By the time the conferment exercises were completed and the prospecting clinic led by C. Preston Dawson, New England Mutual, New York, was under way, the hall was filled to capacity.

Short Business Day

This was a short business day. The afternoon was given over completely to entertainment. The Des Moines hosts had arranged to take over Riverview Park and there diversions in profusion from the chutes to a barn dance frolic were to be enjoyed.

The women agents and supervisors, however, were scheduled to pass a more serious minded afternoon. A luncheon and round table conference for women underwriters was being held with Miss Corinne V. Loomis, John Hancock, Boston, in charge. The supervisors, likewise, had to sandwich their session in at a time others were playing and they will be in session until late in the afternoon with Roy L. Swartzman of Des Moines in charge.

A. E. Patterson Chairman

A. E. Patterson, Penn Mutual, Chicago, the national program chairman, and the new vice-president, was chairman of the Thursday morning session.

The prospecting clinic was a valuable feature. Mr. Preston was followed by L. A. Spencer, who represents the Edward A. Woods Company of Pittsburgh in Youngstown, O., and C. E. Hodgman of the Mutual Benefit in Detroit.

Then came Harry T. Wright of the Equitable Life of New York in Chicago who made a hit, as usual. The final speaker was the only "outsider" on the

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Actual Cases Show Income Option Need

Smart Hoax Staged By C. V. Anderson

Group Leader Presented Two
"Widows" Who Told Their
Life Insurance Stories

SEMINAR SESSIONS HELD

Conventioners Divide and Throng to
the Four Meetings Devoted
to Vital Subjects

The division of the convention into four seminar sessions Wednesday afternoon resulted in no diminishing of interest, the aggregate attendance at the four being as large as at a regular convention session. It ranged from 150 or more at the sessions devoted to direct mail and business insurance to about 400 at the one on taxation and between 500 and 600 at the seminar on the use of income options.

The income option session, in charge of C. Vivian Anderson of Cincinnati, provided one of the decided highlights of the entire convention, being brought to a dramatic climax by the presentation of two women, who told their own stories of how the use or non-use of the income options in their husbands' insurance had affected them. In one case, the husband had agreed to an income program outlined for him, but it was vetoed by the wife, who felt that she should be allowed to say how the money should be handled. The entire proceeds have now been dissipated and she is working behind the counter in a department store. In the other, the husband arranged for a continuing income for his wife without her knowledge, and she told how it had benefited her and her family. Their stories are presented in the center columns of this page.

Tells Origin of Idea

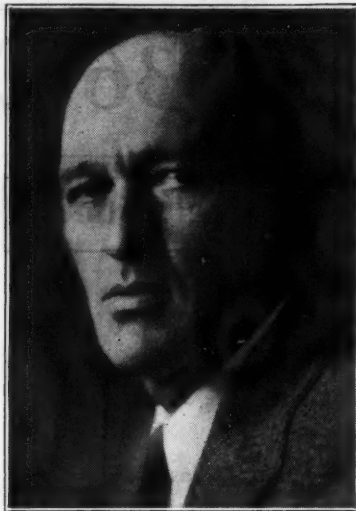
In telling of the origin of this novel idea, Mr. Anderson said that at an informal gathering of a number of Cincinnati insurance men, representing various companies, he had mentioned the fact that he was to conduct this discussion and asked those present who was the best authority in the United States on incomes. J. M. Gantz, Cincinnati general agent of the Pacific Mutual Life, declared that it is the woman who is receiving an income under such options and is thereby enabled to rear and educate her children. That was the genesis of this novel demonstration, the details of which were kept a close secret until it was ready to spring on the meeting.

The last case which Mr. Anderson reviewed in the general discussion was one of a man carrying \$120,000 life insurance, to whom he had suggested that the best possible income his wife could secure from that amount of insurance would be \$950 a year, and asked if that would be enough for her after his death. In discussion the amount she would need to carry on, the man set that figure at \$200 a month. Mr. Anderson worked out a program for him on that basis, which involved the purchasing of \$20,000 additional insurance, which he approved.

Cincinnati Widow Presented

He then called Mr. Gantz to the platform and the latter introduced Mrs. Walton of Cincinnati, widow of the man whose case had just been described, and she told her story. In commenting on it, after she had completed, Mr. Gantz

Coast Leader



HORACE MECKLEN, Portland, Ore.
Chairman Resolutions Committee

said that this was a case where a man had done a job, but couldn't quite make it stick. He then said that, knowing of a case in his Columbus agency which was decidedly in point, he had asked the beneficiary in that case to come to this meeting and tell her story, he then introduced Mrs. Hunter of that city, who likewise related her experience, showing the value of the income option.

So well was the feature presented that many in the audience didn't realize it was a hoax, that Mrs. Walton and Mrs. Hunter were stage professionals.

In opening the session, Mr. Anderson said that the income options are so fundamental that many agents may be passing them over on that account, not realizing their possibilities. He declared that people are becoming more income minded. They have realized in recent years that their property, securities and jobs are insecure, and it is easy to sell them on the income idea. In view of the fact that only 17 percent of the business now in force is on some form of income option, and that the other 83 percent can and should be put on that basis, it is unnecessary for the agent to look any place else for prospects.

Lump Sum Disadvantages

The first principle in the sale of this form, he said, is to show a man that his present insurance is inadequate from the income standpoint. He declared that using the interest option, with the right to the wife to withdraw the proceeds if living, otherwise to the children or other heirs, is the only method that is fool proof. Under the lump sum plan, if the wife dies first, the proceeds go to the insured's estate. He cited the case of a man who had married the second time. If the policy is payable to his wife, the proceeds at her death will go to her heirs and the children by the first wife would be entirely out of the picture.

In the case of a man carrying \$4,000 insurance, he seeks to bring the conversation around so that the man will ask how much income this \$4,000 would produce, and shows him that at 4 percent it would be only \$160. He then says that he is trying in the first place to see that the \$4,000 goes to the right people and mentions incidentally that the \$160 would of course have to be increased by some other method. The only sources of a

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Experience of These Women Shows Value of Income Plan

One Who Vetoed Program Which
Husband Had Accepted Now
Department Store Clerk

By MRS. MARY WALTON, Cincinnati

When Mr. Anderson asked me to come up here I did it not only as a favor to him, but I agreed to come more because there must be thousands of women in the United States whose situations are similar to mine. I thought if you gentlemen knew how much better my idea was than Mr. Anderson's, it might help in a small way. My husband, before he died, had risen gradually but steadily in the manufacturing business where he worked, making about \$6,800 per year the last few years he was living. He carried about \$20,000 of life insurance which he increased to \$40,000 when Mr. Anderson showed him that it would take that much to take care of me and my son and daughter if anything should happen to him.

Deferred to Wife's Idea

He came home one night very enthusiastic about the purchase he had made and told me just how it was going to work for us; that on a monthly basis we would be taken care of, and in order to accomplish that he had bought an additional \$20,000, making a total of \$40,000. Mr. Anderson showed him it would be necessary to do that, and while I felt that it would take too much money away from other things that we wanted to do, I was glad that he bought it. The more my husband talked about the idea of a monthly income the more I began to realize that both he and Mr. Anderson did not have very much confidence in my ability to invest that money. I felt the lack of confidence very keenly and told my husband about it. He was very indulgent and in spite of Mr. Anderson's advice he left the investment of the \$40,000 to me, as I hoped he would.

He died in the early part of 1929, before the crash. I was 37 years old then, we had a daughter, a junior in high school, and a son in the eighth grade. The house we lived in was worth about \$14,000 and was fully paid. When my husband died—he was not sick very long—I soon realized that I would need all the good judgment I had to invest \$40,000, which was more money than I had ever seen before.

Invested \$15,000; Firm Failed

At first it was quite a thrill, then it became a tremendous responsibility. I naturally discussed it with the best male friend I had, whose judgment I respected and trusted—my sister's husband, who had a good position in a business in Cincinnati. I can still remember his conversation. He said, "Mary, I know of a wonderful place to put \$15,000. The firm I work for has been in business a long time; they're getting more orders than ever, and they're a little under-financed. I know they need \$15,000, and if my employer will accept it and give you a share in the business, it is bound to be a good investment and make a lot of money for you over the years. With that amount of additional capital they could go places." That seemed to be an obviously great opportunity, and my brother-in-law's enthusiasm only proved that I was right.

I invested the \$15,000 in that business,

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Other, With \$150 a Month Provided
for Five Years, Can Carry Out
Husband's Promises

By MRS. JOHN HUNTER, Columbus

When I came here to testify as an expert, as you call it, on what a monthly income does for a family, I was not so sure that I was an expert nor that I was a fortunate exhibit. I personally have always felt, especially since my husband died, that the ideal situation is to have one's husband and father around bringing in monthly checks, because my present income is much less than I used to have when he was living; but after having heard Mrs. Walton's story as an expert, I think perhaps that I am very fortunate, and have no regrets because my husband did not even deem it wise to discuss the subject with me and ask me how I felt about one sum of money as against a check each month. Perhaps I, too, would have been eager to have it in one bunch, as did Mrs. Walton, but I had no choice;—and here is my history.

Family History Reviewed

I am personally one of a family of three children, with two older brothers. My father died early in my childhood leaving my mother to raise two boys and a girl. We had as little of the things that middle class people without money can have, but my mother managed and the boys helped out, and relief finally came when I was married off. My mother then made her home with the three children from time to time, and helped raise not only my children but the children of my two brothers.

My husband was a bookkeeper when I married him, and year by year he made some progress, and in the last ten years of his life he made as much as \$3,500 to \$3,600 a year in his best years, working as an office manager for one of the large financial corporations in Columbus. He changed positions in 1932 for the worse, and made as little as \$175 a month, but we managed to get along and pay our insurance and take care of our three children.

Left With Three Children

Without much notice, except that we did suspect a heart condition, he died at the age of 41, just about eight months ago. When he died our oldest daughter, Helen, was a senior in high school, her younger sister, Lucille, was 15, and in the second year of high school. We had John, Jr., who was 9 and in the fourth grade. I suppose the reason why my husband never asked my advice about such things was because I never had much sense about money. I was not a spendthrift, but I left all the plans to my husband.

We had a very nice old-style brick house that we bought when it was old, out in a low priced suburb where the children could roam. With the change in position and decreased income, we lived in this house for years and neglected payments to the extent that when he died we had practically no equity in it, but at that time and since then we still have enough so that the interest on the mortgage is less than we would need to pay for rent.

He died leaving \$20,000 of life insurance. A week after his death I received a check for \$1,000 in cash. I used

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Direct Mail Called "Vehicle of Control"

Just Track To Run On and as
Engineers Salesmen Must
Stay On It

PRACTICAL USE IS TOLD

Men Who Have Adopted Plan With
Success Describe Methods Which
They Have Followed

The seminar session on "Use of Direct Mail in Selling" was in charge of Seneca M. Gamble of the home office agency department of the Massachusetts Mutual Life.

Following Mr. Gamble's presentation of the general subject, George E. Lackey, Massachusetts Mutual, Detroit, who is doing a most outstanding job in the way of direct mail campaigning, gave his views. He declared that direct mail selling is not a panacea for all ills, but instead, it is just a help and a track to run on, and as engineers the salesmen must stay on it. Mr. Lackey stated that he was tremendously impressed with a series of 15 letters that his company was sending out on direct mail campaigns that agents desired to use. He said that agents or special agents who spend most of a day dictating two or three letters of two or three paragraphs are creating a condition of false economy, and that the trouble with most people in the life insurance business is that they have not prepared themselves to sell business life insurance, taxation insurance, etc., when almost every company has letters for mail service that can be used. He read several of the letters used by his company for such mailings.

System Used to Remind Agents

Mr. Lackey explained the system used in his office to keep the agents mindful of the value of following up mail campaigns. He has five cards placed in each man's mail box before they come to the office in the morning, showing the names of five prospects that each agent has turned in and upon whom they are supposed to call that day. On the same morning the agents turn in the five cards that they worked on the previous day with a report of each case. The cards that are given to the men each day are not on the same subject, but instead are varied, covering different phases of thought.

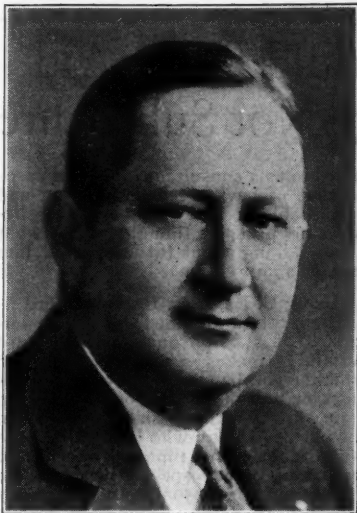
Charts Kept Show Results

In the "Detroit Dynamo," the house organ of the Lackey agency, there appears each week one full page devoted to direct mail advertising. Mr. Lackey has a special assistant in his office who keeps charts and records of all direct mail that is sent out and each morning this assistant makes a special report to the agents at their regular meeting of the results that are obtained from such direct mail campaigns. The charts that are kept indicate very clearly that when there is a large amount of direct mail advertising being sent out for a special period, that same period shows a nice increase in business due to direct mail advertising. Mr. Lackey declared that his belief in direct mail work was such that before he would give it up he would first give up his agents.

Value of Direct Mail Told

Charles M. Maxwell, Equitable of New York, Des Moines, then talked on "What Direct Mail Means to Me." He said that almost every company furnishes its men with material for mailing, and that when such material is not used, the agents are not taking advantage of the tools that are given them

Des Moines Chief



CHARLES E. BROWN
President Des Moines Association

to use in their work. He stated that the letters would not sell a policy, but that the great value of such letters to the agent is that it requires that he get up a responsible list of prospects and requires him to follow up the letter.

Much careful thought is required of an agent in making up a prospect list, because the agent must know something of the person whose name is turned in, to go on the prospect list for mail purposes, declared Mr. Maxwell. It solves the question in the mind of the agent: "Whom Shall I Call on Today?"

Creates Definite Daily Program

When such a campaign on mail advertising is sent out, it creates a definite daily program, he said. In some instances it is wise to use personalized letter service and in some particular cases this is possibly the best pre-approach that can be used, declared Mr. Maxwell. It brings to the prospect what the agent has to advertise or offer and breaks ground before he arrives. Mr. Maxwell said that the agent should not be content just to use the direct mail service of his company, but instead he should in some special cases use his own personal letters. This can be done, he said, by watching local newspapers for items concerning the good work that some citizen is doing and then sending that person a personal letter. He advised, however, that this should not be carried too far, but only should be used as a starter.

Helps to Increase Clientele

Mr. Maxwell declared that if an agent is making a large number of calls and is failing to get a proper number of interviews out of the calls, then it is evident that his approach is out of line. Such an agent should try direct mail. It will help him to have a more interesting approach. Old policyholders, he said, should be serviced and canvassed at all times, but if too much is gotten from them, the agent is failing to add to his clientele. Direct mail in this respect should be used to create this new clientele. The only dollar that is made in life insurance Mr. Maxwell said, is the time spent across the desk with the prospect, and direct mail, he added, is one of the necessary things in helping to get the prospect across the desk from you.

Called "Vehicle of Control"

Mr. Waters of the Acacia Mutual Life, Washington, D. C., who has been using direct mail advertising for over 14 years, said that he had termed it in his agency the "vehicle of control." He stated that his reason for the name is that a train can only run to where the

Taxation Seminar Popular Feature; Seefurth in Charge

Due to the unexpectedly large turnout for the seminar Wednesday afternoon devoted to a consideration of taxation and life insurance, presided over by Nathaniel Seefurth, tax expert of Chicago, it was necessary to find a larger meeting place. A. E. Patterson, national program chairman, went on a hunt, and finally arranged to rout the late diners from the main dining room to clear the way for the Seefurth seminar.

The discussion was exceedingly technical and difficult to follow, not only because of the nature of the subject but because of the acoustics.

Here are some of the points brought out:

Cash Value As Reserve

Mr. Seefurth expressed the belief that a corporation may carry the cash value of policies on the lives of executives as a special reserve account aside from surplus. That is a desirable reserve to set up if the surplus of the concern is unduly large, since the federal government is seeking to force declaration of dividends so that stockholders may be reached in the higher income tax brackets.

As for taxation of moneys received by pensioners. Ordinarily the employing corporation makes a contribution towards the pension and the rest is made up of contributions deducted from the pay of employees. If the pension plan embraces a specific pension agreement fixing the rights of the parties, the corporation may deduct the amount of its contribution from taxable income, although the employee does not have to report that portion as his income. When the pension paying period starts, the employee must include in taxable income three per cent of the purchase price of that portion of the pension, which is represented by the deductions from his salary. The portion provided by the employer is taxable in its entirety.

When Gift Tax Applies

Mr. Seefurth considered the question of when the gift tax applies in the transfer of life insurance. It applies, he said, when there is an assignment or giving up of the incidents of ownership. It is no gift if the donor retains any control. For instance it is no gift if a father takes out a deferred annuity for the benefit of a minor child to be turned over to the child when it reaches age 21. It is a gift if the annuity is trusted with no reversionary feature.

He weighed the problem of the measure of value when a contract is transferred by way of gift. Where there is no insurance feature to a contract the measure of value is the cash value. Where it does have an insurance feature, the measure of value is the cash value plus whatever insurance value there may be. For instance if there is an assignment six months after an annual premium has been paid, the measure of value is the cash value plus the six months premium that has been paid in advance, so to speak.

Measure of Value

He asked himself the question whether a man might buy a single premium life contract, and after six or eight months turn the contract over to a beneficiary so as to have the gift tax apply to the cash value. Mr. Seefurth said the answer is no since the man is actually turning over more than the cash value. The measure of value in such a case, he said, would be close to

track leads, and that direct mail is the beginning of the track.

Bert N. Mills, secretary Bankers Life of Iowa, then told of the advantages to the agent of having a definite direct by mail program provided by his company.

the premium that had been paid for the contract.

The question was asked as to the measure of value of a policy providing cash value at the end of the third year where the premium was paid two years in advance. The only value, answered Mr. Seefurth, is the unexpired insurance.

Personal Property Tax

One of the greatest advantages of life insurance, Mr. Seefurth asserted, is the fact that generally it is not subject to taxation as personal property.

As for annuities, unless the property tax statute of a state specifically provides for a method of valuing annuities, there is no personal property tax. Ohio, he said, is the only state that has a method for valuing annuities.

As for estate taxes, Mr. Seefurth said a man should give thorough consideration to the problem before deciding to give up the incidents of ownership, so as to place the proceeds beyond the ordinary \$40,000 exemption. If a man gives up the incidents of ownership in his insurance, it is the same as turning over to another his bonds or other property. That is the only sure way to reduce taxation, he said. Any other system is an evasion or else is taking an advantage of a loophole that can and probably will be plugged by the legislature.

Must Understand Problem

An insurance agent should not advise giving up the legal incidents of ownership unless he understands the problem thoroughly and its implications.

If it is desired to give up the legal incidents, Mr. Seefurth said there is a preferred manner of effecting the transfer. He advises that the assured make the policy payable on option and then instead of assigning the policy to the wife, assign it to a trustee or to himself as trustee for the benefit of the beneficiaries and holding it as a trustee until the policy becomes a claim when it is released from the trust and paid on options.

Retaining Economic Benefits

It is ruled that that there is not a transfer in the eyes of the internal revenue department if the insured retains any of the economic benefits. One question is whether the receipt of dividends on the part of the insured constitutes an economic benefit. Mr. Seefurth said there has been no definite ruling.

A big question yet to be decided by the United States Supreme Court is whether naming a beneficiary irrevocably in itself constitutes giving up the legal incidents of ownership. A recent decision of the United States circuit court of appeals for the second circuit in Pennsylvania Company vs. Commissioner was in favor of the taxpayer on the question, but this will have to be decided by the highest court, he predicted.

The payment of premiums by the assured after giving up the legal incidents of ownership does not affect the exclusion of the proceeds from the estate tax. The premiums so paid constitute gifts to the beneficiary.

Absolute Assignment

If an insured makes an absolute assignment to his wife, the policy is her property. If she predeceases the insured, the value of the policy becomes part of her taxable estate.

There must be an understanding of the fundamental proposition on which taxes are levied, he said. There must be a transfer that takes effect at death and that transfer must be from the deceased.

Suppose an insured gives his wife a life interest, at her death the payments automatically going to the children. Then he makes an assignment to a trustee to be released from the trust

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Convention Features C. L. U. Movement

Endowment of Half a Million Desired

Want American College Placed on Sound, Permanent Financial Basis

TO WIDEN ITS INFLUENCE

C. L. U. Movement Enables Agents to Present Insurance In Its Aspects as Refined Since the War

By JULIAN S. MYRICK
Manager Mutual Life, New York

So much emphasis has been placed of late upon elements of instability, insecurity and change in our economic, political and social life that it is refreshing to turn our attention to the attribute of permanency as it exists in our important institutions.

The constitution of the United States was adopted in 1787. In the century and a half of its existence, there have been only 21 amendments—rather convincing testimony of the widespread belief that the principles of government which underlie it are sound. Traditions, customs and ideals, more compelling than laws, have grown up about it and given to it a stability and permanency which can not readily be shaken even by the vicissitudes of the far-reaching depression from which we are emerging. The next presidential election may be waged over constitutional rights and their modification but it is inconceivable that the basic features of our constitutional form of government will be much altered. In spite of adaptations to meet newer conditions of life, those features may be regarded as permanent.

Improvement, Not Abolition

Just as our political institutions become firmly embedded in our complex civilization, so do other institutions which meet a fundamental need in human life gradually make for themselves a permanent place in our thinking and activities. The public may rebel at times at some of their characteristics, may question their modes of procedure, may believe that their practices do not change rapidly enough to meet the exigencies of altered conditions but the abiding place which such institutions hold in our American civilization is not seriously questioned. We may become impatient at times with their operation which we may wish to improve, but not to abolish.

A little more than 50 years after our constitution was adopted, and our political institutions under it began to take shape, another institution destined to play a very important role in our lives had its beginning in a very humble manner. The life insurance company which started business in 1843 became the forerunner of a tremendous legal reserve life insurance institution in which approximately 375 companies are now engaged. That this new business was not a fad, but met a fundamental human need which assured its steady growth is evident from the fact that of the companies, four are now over 90 years old, fifteen are over 80 years old, and 33 are over 40 years old. The history and background of these companies is impressive as they were all founded on sound actuarial principles, and were under wise and conservative management which enabled them to progress through a pioneering stage

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C. L. U. Degree Should Be an Aid in Prospecting--Not Substitute

By WALTER N. HILLER
Penn Mutual Life, Chicago

Shortly after I received my C. L. U. degree, a friend of mine from New York wrote me telling me that he too had received his degree. He also stated that he had been sitting in his office—on his laurels—for two whole weeks waiting for the business which he thought should have come in simultaneously with the designation. He wondered what was the matter. Not a single prospect had shown up at his office after he had received the good news from the American College. That is the spirit that prevails among some of the people who studied diligently, paid the price of time and trouble, but they unfortunately took the C. L. U. course with the wrong idea in mind. It is this type of man that is singled out by general agents and managers as the shining example of what the C. L. U. degree has not done for some of their men.

Two Duties to Perform

In my opinion, we, who are fortunate enough to hold the C. L. U. designation, have two duties to perform in selling the C. L. U. idea to others:—First, to the new candidate, to give promise of increasing his business but at the same time stress the fact that he must continue to go out and prospect; second, to prove to those who own the C. L. U. degree that they can go out and get business if they will only prospect intelligently.

The relatively small amount of criticism which is directed at the C. L. U. movement is due partly to the lack of production, coming from lack of prospecting on the part of a few C. L. U.'s. Of course, criticism is also forthcoming because general agents and managers are loath to allow their men to spend their time in studying for the examinations. I, personally, think that this criticism amounts to but little, and as time goes on I think we will be criticised for our failure to insist on certain men taking the C. L. U. courses right now instead of waiting five or ten years hence to do it. These men will certainly regret that they did not go through with the requirements earlier and we will receive the blame for it. In my own case, I certainly feel fortunate in having gone through with the work when I did. Incidentally, as I scan the examinations each year, I wonder more and more how I was ever able to pass them.

Prospecting Should Be Easier

I have been quite fortunate in being one of those in Chicago who helps to conduct a review course at one of the universities. In that way I have been able to keep up with the times and, incidentally, get selling ideas. (I am supposed to tutor the boys in the class but I let them tell me instead.)

Within the ranks of the C. L. U.'s and outside also, we hear the same old story. That prospecting is the secret of a man's success in the life insurance business. Some say that prospecting accounts for 75 per cent of our success and I will go so far as to say that prospecting accounts for 95 per cent. The real fact of the matter is that if we do not prospect, we will develop no new business. The methods of prospecting are no different for C. L. U.'s than they are for any other man in the life insurance business. The same principles apply. However, prospecting should be easier because a man is a C. L. U.

In my own experience I have been

called in as a consultant in certain cases because of having the designation and I was able to close this business because my prospect thought I knew what I was talking about (at least I left him with this impression).

Using C. L. U. on Business Card

Then, too, a dignified use of the letters "C. L. U." on one's business card certainly makes prospecting easier, whether you happen to do cold canvass work or any other type of prospecting. I am sure that there isn't a C. L. U. in the business today who has not had the pleasure at some time or another of explaining to a prospect just what these initials mean. I usually explain to my prospect that the designation means very little to him but it means a great deal to me, and the usual reaction is that the prospect become quite well impressed by the fact that he is being called on by a professional man. Many times I have heard the remark, "Well, if you've gone to all this trouble to earn this degree, I will put myself out for a few moments to listen to what you have

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New President of the National Chapter C. L. U.



FRED L. CASSIDY

Fred L. Cassidy of Seattle, whose election as president of the National Chapter C. L. U. was announced at dinner of that organization Wednesday evening, was born in Chickasaw, Ia., in 1878, the son of a Methodist minister. He graduated from Upper Iowa University.

He was a high school teacher two years, superintendent of town schools in Rolfe, Ia., nine years; elementary and high school principal in Seattle 19 years.

He changed from school work to life insurance in 1927 to find work with an objective rather than political measure of accomplishment. He became assistant manager of Prudential's newly opened ordinary agency in 1929 and passed C. L. U. examinations in 1931. As chairman of the education committee of Seattle Underwriters and of Seattle C. L. U. chapter, 1932-34, he promoted installment preparation for C. L. U. He was a director of the National Chapter C. L. U. 1932-34, and has been vice-president the past year.

National Chapter C. L. U. Holds Forth

Annual Dinner Attended by More Than 100—Cohill, Hiller Speakers

PAUL F. CLARK PRESIDES

Fred L. Cassidy New President—18 Members of Million Dollar Round Table Are C. L. U.'s

More than 100 attended the annual dinner of the National Chapter C. L. U. Wednesday evening. This was preceded by the annual business meeting. Paul F. Clark, John Hancock, Boston, the ubiquitous conventioneer, presided at the dinner as retiring president of the national chapter, but he was unable to attend the business meeting, as he was engaged elsewhere supervising the successful invitation of Boston for the 1936 convention. In his absence Fred L. Cassidy, Prudential, Seattle, presided at the business meeting. He is the new president.

The speakers of the evening were Walter N. Hiller, of the Stumes & Loeb agency, Penn Mutual, Chicago, and Maurice B. Cohill of the Edward A. Woods agency of the Equitable Life of New York in Pittsburgh.

Talent at Head Table

Mr. Clark introduced those at the head office. They were: Gerard S. Brown, Penn Mutual, Chicago, who has been program chairman of the C. L. U. dinner for three years; G. E. Lackey, Massachusetts Mutual, Detroit, former national president; Corinne Loomis, John Hancock, Boston; Dr. S. S. Huebner, president American College, Dr. David S. McCahan, dean, and E. J. Clark, John Hancock, Baltimore, chairman American College; Julian S. Myrick, Mutual Life of New York in New York City; Caleb R. Smith, Massachusetts Mutual, Ann Arbor, Mich., retiring chairman Million Dollar Round Table; A. E. Patterson, Penn Mutual, Chicago, and Mr. Cassidy.

Mr. Clark announced there had been an increase in the membership of the national chapter from 508 a year ago to 584. The objective is to cause the establishment of 90 local chapters. At present there are 27. Chapters were organized during the year in Denver and Hartford. Omaha, Oklahoma City, and Louisville are among the cities that have signified an intention to form new chapters.

The movement was greatly stimulated by the trip made by Dr. Huebner when he made 144 speeches in 100 cities in a period of three weeks.

Many Are Millionaires

Mr. Clark said that of the 139 members of the Million Dollar Round Table this year 18 have the C. L. U. designation. Of the 30 general agents and producers on the Des Moines program this year, 12 have the designation.

The slate of new officers, as recommended by the nominating committee, was elected by mail vote and the official result announced at the business meeting. In addition to Mr. Cassidy, the officers are:

Vice-president, A. J. Johannsen, Northwestern Mutual, Chicago.
Treasurer, T. G. Murrell, Connecticut General, New York.

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Going Easy When Prospects Are Good

Old Definition of Prospect Holds Secret When Its Significance Studied

NO MAGIC IS INVOLVED

Agent Must Win or Lose by Using One or More of Basic Prospecting Methods

By C. PRESTON DAWSON
Production Manager New England Mutual, New York

We all know the three point definition of a prospect, which is:
One who has a need for our product;
One who has ability to buy;
One whom we can approach.

Many of us accept a definition of this type as obvious and as a result do not ponder over it and really find the lesson that this definition should teach us. It is unfortunate that things do become obvious for so many times we close our minds and thereby lose the real value that such things can give us.

Isn't it only natural that the more pronounced the need, the better the prospect? To illustrate: Surely a married man with children is, generally speaking, a better prospect than a single man, or a married man without children. Isn't it true in your own experience that you have been more successful and have found your selling easier in cases of a married man with children? So, if we are to take the lesson indicated by the need for the product, we would be inclined to secure more names of men who are married and who have children.

Ability to Buy

The second part of our definition—"One who has ability to buy"—should also be considered carefully. It is surely easier to sell a thrifty individual than one who is not thrifty. It is surely easier to sell a man of fair income, rather than one who is living from hand to mouth, so if we are to make selling easy we will seek prospects who have proven ability to buy.

The third part tells us that a prospect is one "who is approachable." Some of us unfortunately work on the assumption that we can attempt to see anyone and that the law of average will get us in to see some of those we approach. Experience shows us that proper methods of prospecting will put us in touch with a greater percentage of people on whom we call. Surely we know we stand a better chance of seeing an individual whom we know, or to whom we have a proper introduction, rather than a man with whom we have no common interest or no introduction.

My first suggestion therefore is that we analyze this homely definition of a prospect and conscientiously try to get the best there is in it.

Five Methods Available

Many of us live under the belief that some day we will hear some speaker explain a system of prospecting which will fit us like a glove and automatically bring us real success in this particular phase of our business. It is necessary for those who believe this, to get rid of this erroneous mental attitude and to recognize the fact that there are just so many methods of prospecting and no more. In our agency we have long realized that there are just five methods available and that we as individuals must succeed or fail by employing one or more of these five methods.

The first method we will call natural contacts. By a natural contact I mean people whom we meet in the natural

Prospecting Leader



C. P. DAWSON, New York
New England Mutual Life

course of events. Men that we meet at the club; in church, at the bridge party, at the dance, in civic activity, etc. As we enter the life insurance business our natural contacts represent our first list of prospects. Unfortunately, some life insurance men have few at the start and do nothing to add to them as the years go by. It is almost essential that to become a successful life insurance man we must be constantly extending our list of natural contacts. We should keep ourselves in circulation; we should participate in group activities wherever possible and thereby add to our acquaintanceship.

Commercializing Friendships

I have little patience with a man who commercializes friendships by constantly talking about his business at social affairs, but I also lose patience with the life insurance man who is reluctant to discuss his business under proper conditions with a friend or acquaintance. Naturally, some men use the natural contact method to too great an extent and find that they have never learned to sell the stranger, but surely most of us could use it to a greater degree than we do. Let's attempt to keep ourselves in circulation.

The second method I choose to call the leading question method. I wish to put emphasis on the word leading. We are all familiar with the idea of securing prospects by asking friends, policyholders, prospects, etc., for names. Some men have met with very little success in using this method. I find that generally the reason for failure along this line lies in the fact that the salesman does not employ proper sales technique. I have heard salesmen say to a friend or policyholder "Bill, you know a lot of good people who should be interested in talking with me about life insurance. I am in need of new prospects. Can't you give me the names of one or two?" Sometimes this technique works, but it has been our experience that friend Bill generally cannot think of anyone off hand, but promises to keep it in mind. Six months or a year later he still finds it impossible to think of anyone who might be interested in talking with us.

Three Point Technique

In using this method we try a three point technique which works in the vast majority of cases. The best time naturally to use it is just following a sale or a sales demonstration, for at that time the client or prospect is "hotter" than at any other time we might contact him. Incidentally we find it advisable never to ask for names unless our center of influence knows

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Technique of Getting Third Party to Work for Agent

Calls on Policyholders Bring Indirect as Well as Direct Results

By CHARLES E. HODGMAN
Mutual Benefit, Detroit

The various methods of prospecting may be classified in the order of their effectiveness as follows:

- (1) The use of natural contacts—friends, former business associates, relatives, etc.;
- (2) The use of a third party influence, preferably by securing an introduction from our policyholder to a prospect;
- (3) The use of selected lists—names of people in the same business, social, fraternal sets as are our policyholders and who would therefore know our policyholders, and by getting information from our policyholders concerning these names;
- (4) Other qualified names taken from lists such as college graduating classes, marriage licenses, names of people who should obviously be prospects;
- (5) Unqualified names and cold calls.

My plan upon entrance into this business was to spend what time I could on natural contacts, and to fill in the balance of my scheduled working time on unqualified names and "cold" calls. I had no other method of prospecting than the inspirational and door-to-door canvassing. I had been employed in a clerical capacity and had been accustomed to working by the clock from 8:30 until 5:00, and so at the outset I determined to continue working by the clock during these hours, in addition to putting in night work when I had secured interviews. I promised myself that insofar as possible I should spend this time outside of the office seeking policyholders.

Recalls Early Procedure

Much of the time during my first year I could be found on one of the main business streets of Detroit going from door to door looking in to see if within that store there might be a young man who was approachable. If I saw such a young man I would go in and speak to him as follows: "I am in the life insurance business with the Mutual Benefit Life Insurance Company and I am trying to work up future prospects. I wonder if I could have an opportunity to show what we have when you're considering insurance?" The usual response was that certainly he'd be glad to help me out, but that he had all the insurance he could carry, and it might be some time before he was considering more. I'd then ask him if there was a chance in the next year or two of his doing so, and sometimes he would say there was. In that case I'd ask him the month of his birthday, and ask permission to call on him thereafter. This was usually given quite freely. If I felt I had the chance to talk with him further I would try to find out about the insurance he had, what company, etc., and he would usually tell me not only the company, but the amount and the type. Quite frequently, also, I found a young man without any insurance, and when I did so I would concentrate on him as an immediate prospect. I estimate that 40 per cent of my first year's business was on the lives of those who had no other insurance.

During this first year, the results obtained were: 100 cases for \$235,000 of which 46 resulted from purely cold canvass calls; 38 from natural contacts; 5 referred to me by friends; 5 solicited by

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Success of Prospecting System Depends on Agent's Reputation with Clients

By L. A. SPENCER
Equitable of New York, Youngstown, Ohio

We are familiar with general principles of prospecting, and yet our most difficult problem is the finding of people who are willing to listen to our story and act on our suggestions. We have frequently heard agents say that they had more prospects than they could see, and yet the results of their efforts do not warrant that statement. What a wonderful business this would be if you and I had enough people who were really prospects to keep us constructively busy every day.

A name is not a prospect. An individual may have all the requisites necessary to be a prospect and yet not be one for you or me. Our job, I believe, is qualifying an individual as a prospect and by that I mean building the necessary contacts so that he will be accessible to us. If we can not obtain the proper setting for a favorable interview, he is not a prospect. He may be a prospect to another agent, or he may eventually become one when certain conditions are met. It is very easy to waste a lot of time and, more than that, create a wrong impression of yourself and of your business, by attempting to approach people who are neither interested in you or what you have to say.

Easy to Amass Names

I think it is comparatively easy for us to amass a number of names. They come from every source, as the daily newspaper, every-day contacts, etc. For some time I have kept a list of names. In another column I keep a list of people whom I consider prospects and in still another those under active solicitation. That way I keep my job continually before me. My chief difficulty is getting a name into the prospect list. It is here, I think, that the difference between a successful and unsuccessful agent lies. This ability to qualify a prospect goes back to the very fundamentals in the conduct of a life insurance business. How can it be done?

We must know our business from the technical side. We must be able to deliver when the opportunity comes. We must conduct ourselves so that we will inspire confidence in our people with the thought that they will be willing to recommend us to their friends. There is nothing new about this but there is only a small percentage of life insurance men and women doing it. We should keep firmly in mind that we have no right to ask our clients to do something for us unless we have done something for them.

New Profession Emerging

We must be reasonably conversant with such matters as taxes, wills, laws of inheritance, and the like. I believe that there is a new profession arising in this country. Call it what you will, but to me the term business advisor comes very close to designating its real meaning. Neither the lawyer, banker, or trust official is in a position to render the service needed by many people. We know that the average man is reluctant to go to his lawyer or his banker and yet he is in need of help in many of the fundamental financial problems that plague him. Who is more advantageously situated to render this service than the life insurance man? When we are doing these things, we are pros-

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Insurance for Tax Purposes Helps Put Estate in Order

By PAUL F. CLARK

(Mr. Clark spoke at the Million Dollar Round Table on income, gift and state inheritance taxes affecting life insurance.)

Speaking generally, there are two general principles back of all these taxes. They were passed, first, as a means of raising revenue for the federal and state governments, and second, they were passed as a means of placing a brake upon the accumulation of wealth and a hindrance upon the passing of accumulated wealth to succeeding generations to the end that wealth might be distributed among a greater number of people.

Revenue Motive Less

I will not attempt to argue the correctness of these principles, but only point out in passing that the first principle was the motivating reasoning for the imposition of these taxes by the federal government in the first place, i. e., to help pay the cost of the world war. However, in every subsequent change in these taxes since the passage of the income tax imposed in 1934, the second principle has been more and more involved, until we do not know whether the new revenue act of 1935 is an act to raise revenue or to distribute wealth. Compared to the previous revenue acts, I question if it will do either very well.

These taxes are so-called "progressive taxes," that is the larger amount involved the greater the tax imposed. This principle was adopted on the theory that the tax imposed should be measured by the "ability to pay" and the further thought that the size of the transaction was a true measure of the ability to pay.

Spread to the States

As a result of all these, we now have federal income, gift and estate taxes, and in addition each state in the union has inheritance taxes and/or estate taxes, while many states also have gift and income taxes. The combined total expenses of all these taxes, especially on amounts involving the higher brackets, is so great as to make it almost confiscatory of one's property and practically makes it necessary for men of wealth to give very careful consideration to this whole subject in order that they might take advantage of every exemption and exclusion offered by federal or state laws. It also makes it necessary for all life insurance men, capable of understanding the subject, to prepare themselves so they can use to best advantage life insurance and annuities in setting up their client's estate.

In this connection it is quite necessary that every life insurance man who attempts to give this service should have a clear understanding of the type of tax involved in each kind of tax imposed, so he will clearly understand the position of life insurance or annuities in connection therewith.

Can't Tax Principal

The federal income tax, for instance, is limited by the constitution to a tax upon income as such. This is interpreted to include earned income, investment income, profit and loss from transactions, etc. This interpretation, however, cannot be extended in its scope to include distribution of principal. Take the case of a life annuity, for instance; certainly a large part of this income, for a number of years at least, constitutes a redistribution of principal which to that extent cannot be taxed under the federal income tax law.

The gift tax is imposed upon the monetary value of the gift at the time the gift is made and nothing else. In connection with any gift involving a life contingency, such as life insurance, the measure of the gift can be only the present cash value of the insurance, plus any unearned premiums paid thereon. Any

other value in an insurance contract is incapable of a monetary measure.

Tax on Transfer

The federal estate tax is a general tax on the "passing of property" from the decedent to his heirs. If the ownership of any property is to be taxed, then it has to be in the estate of the decedent. Considerable controversy has arisen as to the position of life insurance on the life of a decedent in such a case. Supreme Court decisions have held that life insurance should be counted in the decedent's estate, if at his death he holds any legal incidents of ownership in the insurance. If he held no such legal ownership, then the insurance is not in his estate and is not taxable under the federal estate tax.

The inheritance tax, which is the tax imposed by most of the states, is a tax on the beneficiary on his right to receive property. Theoretically this tax might well include insurance if the decedent held any legal incident of ownership therein, but most states exclude from this tax life insurance payable to a designated beneficiary on the grounds of public policy.

Can Help Clients

A thorough understanding of these principles would put any life insurance man in a position to help any client solve his problem of estate distribution.

Perhaps a simple example will clarify my meaning, particularly if this example be applied to all of these various federal taxes.

Every man of wealth has certain fixed expenses which go on year after year and which he is paying at the present time out of current income which is subject to the income tax. Let us take for the purpose of illustration a fixed expense of \$10,000 a year, in connection with a client who pays an income tax of 40 percent in the top bracket. This client has to use \$16,667 of gross yearly income to pay these fixed expenses of \$10,000. On the basis of a 4 percent gross return on invested capital, it would then take \$416,675 of assets to provide for \$10,000 of yearly expense. In other words, in the 40 percent income tax bracket, a gross return of 4 percent shows a net return to the owner of only 2.4 percent.

Let us see what would happen if such

a client should capitalize these fixed expenses through the purchase of a life annuity. If this client is 55 years old, an investment of \$170,000 in a life annuity would show a gross return of about \$12,357, or a net return of a little better than \$10,000. This annuity then will take care of these fixed expenses for your client and leave, out of the original capitalization \$246,675 free and clear for other purposes. At 4 percent interest, this gives your client an additional gross income of \$9,867, or a net income of \$5,920 if he is still in the 40 percent income tax bracket. This income is all clear gain to your client for it was assumed that as far as he is concerned, these fixed expenses would probably last throughout his life and if he is primarily concerned about increasing his own net income, you will materially aid him by selling him an annuity and solving this problem.

Property for Heirs

Suppose, however, that this client should say that he is more interested in passing property on to his heirs than he is in increasing his present income, and in the solution of the above problem, while we have increased his net income by \$5,920, we have also dissipated \$170,000 of his fortune which will never be passed on to his heirs. If such a client is worth between \$700,000 and \$1,000,000, only about \$300,000 of the above \$416,675 will ever be passed on to his heirs. The balance will be taken up in estate and inheritance taxes and administration expenses. On the other hand, if this client should take this \$246,675 left over out of the original capitalization after the purchase of the \$170,000 life annuity and purchase a single premium life insurance policy, he could buy about \$365,000 of life insurance and if this insurance was made tax exempt, pass \$365,000 on to his heirs rather than \$300,000 which the other assets would give to his heirs.

In other words, by the first step, we have increased your client's income very substantially or by the second step, we have increased the amount that he can pass on to his heirs by about \$65,000 (he can choose whichever he desires) and the greater your client's fortune, the better showing the life insurance will make compared with leaving this sum of money in any other asset for distribution. The figures which I have used here are only general but they illustrate the point and will apply approximately to the various ages of your clients.

We now come to the question of making the life insurance tax exempt. If

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Busy Social Week in Des Moines for Feminine Element

Beautiful Wakonda country club, a 20 minute drive from the Fort Des Moines hotel, was the scene of a luncheon bridge Wednesday in honor of 210 women guests of the convention, given by the Des Moines association. Mrs. Jack Hilmes, general chairman for the women's entertainment committee, was in charge, assisted by Mrs. Stephen A. Swisher, Jr., Mrs. Arthur Johnson, Mrs. Harry Haskins, Mrs. Ray Fuller and Mrs. Emerson Cooper. The tables were artistically arranged with flowers and souvenirs for all by Mrs. Fred L. Wells and Mrs. Harry Haskins. After coffee had been served concluding the luncheon, Mrs. Robert L. Jones of New York arose to offer a vote of appreciation to the committee for their delightful entertainment.

First prize at contract bridge was won by Mrs. F. R. Miller, Omaha, and by Mrs. George Moeckly. Other prizes went to Mrs. J. A. Diefenbach, Davenport, Ia., Mrs. V. R. Teter, Indianapolis, Mrs. Walter Levi, Des Moines, Mrs. A. O. Hawkins, Arlington, Neb., and Miss Grace Niederhaus, Vincennes, Ind. Mrs. Hilmes announced that luncheon parties were being arranged for Thursday at the Golf & Country club and Friday at Hyperion Field. She also announced an invitation from the Meredith Publishing Company to visit their large plant.

Mrs. T. M. Riehle arrived in Des Moines Tuesday night with Mr. Riehle's father, John H. Riehle, and was met at the station by Mrs. Jack Hilmes.

Several dinner parties were given during the first part of the week for out of town guests. Among the hosts and hostesses were Mr. and Mrs. Martin L. Selzer, Mr. and Mrs. Jack Hilmes and Mr. and Mrs. M. C. Nelson.

Among the many out of town women seen here renewing old friendships were Mrs. Orville Thorpe Edwards of Dallas, Mrs. Frank L. Jones, New York, and Mrs. Franklin C. Morss, Philadelphia.

Miss Glenn Russell, Equitable Life of Iowa in Boston, who drove to Des Moines, planned an extensive motor trip before returning home.

A group of women producers enjoyed an Iowa famous "barbecued ribs" dinner with Miss Carrie Bell Tuesday.

Mrs. J. G. Rothermel left Minneapolis with her husband at four a. m. Wednesday, arriving in Des Moines, a distance of 280 miles, sharp at 9 a. m. in time for the convention opening.

First Trust Officer Gets C. L. U.

Basil L. Collins, assistant vice-president of the Old Colony Trust Company of Boston, who was a member of the new C. L. U. class, is the first trust officer to receive that designation. He is now president of the Boston Trust Council, composed of trust officers and life insurance men, and F. W. Ganse, who has been closely associated with him there, stated that Mr. Collins has had a part in closing more than \$7,000,000 in life insurance. He was an interested attendant at all the convention sessions, starting with the national council meeting Monday.

Two Actuaries Appear

Robert D. Sturtevant, actuary of the American Central Life, appeared in time for the festivities Wednesday evening. He and L. C. Cortright, former vice-president and actuary of the Occidental Life of Raleigh, were motoring through the country and decided to make an appearance.

Speak Before Managers, General Agents



Standing, left to right—H. A. Hedges, Equitable of Iowa, Kansas City; Paul F. Clark, John Hancock, Boston; Frank H. Davis, vice-president Penn Mutual Life; V. T. Motschenbacher, Sun Life, San Francisco; C. J. Zimmerman, Connecticut Mutual, Newark. Seated—L. S. Broadbudd, Acacia Mutual, Chicago.

General Agents and Managers

of

DES MOINES

Welcome You

CHARLES E. BROWN

Manager

**THE MUTUAL LIFE INSURANCE
COMPANY OF NEW YORK**

11th Floor Des Moines Bldg.

M. C. NELSON

State Manager

EQUITABLE LIFE OF N. Y.

Equitable Fl., Old Colony Bldg.



MARTIN L. SELTZER

General Agent for Iowa

3rd Floor Hubbell Bldg.

DES MOINES



CLAUDE FISHER

General Agent

CONNECTICUT MUTUAL LIFE INSURANCE CO.

921 Fleming Bldg.

**FREMONT L.
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State Manager

**SUN LIFE ASSURANCE
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*State Manager of Ordinary
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**ALFRED T.
LYNNER**

General Agent

**GENERAL AMERICAN LIFE
INSURANCE CO.**

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J. A. SPARGUR

Agency Manager

BANKERS LIFE COMPANY

1218 Des Moines Bldg.

FRED G. APPLEQUIST

Manager

THE UNION CENTRAL LIFE INSURANCE CO.

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Heritage



BY FLICKERING CANDLE LIGHT in the dim back room of a building in Newark, the first business of the Mutual Benefit was transacted ninety years ago. The men who met there set about the work of establishing—without a dollar of paid capital—a sound mutual life insurance company: the most humanitarian of all business enterprises. Every effort was bent to their task of creating an absolutely mutual organization.

As the company prospered it followed the westward expansion, serving the hardy pioneers who pushed the nation's frontier into the blue Pacific.

When the drums of war were stilled in 'sixty-five the company's Mathematician went into the south "purposefully to locate and serve our policyholders" whose business relations had been interrupted by the war.

Through panic and prosperity, the company grew to serve an increasing number of the country's rapidly mounting population.

That same ideal of mutuality which inspired the founders and which sent Amzi Dodd into the war-torn South was the foundation of the company's unsurpassed non-forfeiture system. From it has arisen also an assistance by the management that all members be accorded equal privileges and freedom from restrictions; that no member shall profit at another's expense.

This ideal, dedicated to the service of the American people and their institutions, is our heritage from the men who met in that friendly back room ninety years ago.

The Mutual Benefit

LIFE INSURANCE COMPANY • NEWARK, NEW JERSEY

Characteristics of Million Dollar Man

Most Important Difference Is His Determination—Derives Fun from Job

HEAVY INSURANCE OWNER

Big Producer Does Not Give People Courses in Insurance But Keeps Them Well Insured

By HARRY T. WRIGHT
Equitable Life of New York, Chicago

I wish I could tell you an easy way to write a million a year or more. If I knew an easy way, that is just the way I would do it, but I don't. I can, I believe, tell many of you how you could write a million a year if you were willing to pay the price and also believe I can tell most of you how to substantially increase your business if you are willing to pay the price.

It is my privilege to know a great number of the million producers of this country and I believe there are certain things a million dollar producer does as compared to some of the things a \$200,000 producer doesn't do and there is little question in my mind that many \$200,000 producers could become million dollar producers and certainly the majority of personal producers could materially increase their business if they were willing to do the things that a larger producer finds it necessary to do.

Let me give you five necessary qualifications to become a consistent million dollar producer:

Must Enjoy the Work

First of all, you must really enjoy your work. Show me a million dollar producer and I will show you a man who, practically without exception, gets more fun out of his business than any other thing he does. By proper thinking you can, to a large extent control the fun you get out of your business. Endeavor to see the funny side of various situations that ordinarily disturb you; take your business seriously, but for heaven's sake don't take yourself too seriously. Play it as a game; keep a record of your interviews and delivered business and try getting into competition with yourself. Endeavor to beat that record. It is the most interesting game I know of and the stakes are worth while.

Second, your mental attitude must be right. By this I mean you must be so sold that you would unquestionably buy this contract that you are presenting to the prospect. If your mental attitude is wrong, you may be kidding yourself, but believe me, you never kid the prospect. He will know whether you believe in what you are talking about and the sale will largely depend upon your mental attitude. If you are not thoroughly sold yourself, how can you expect to sell the other fellow? You may have a lot of swell arguments but if your mental attitude is wrong, they won't get you very far.

Test of Appreciation

I believe a real test of your appreciation of your business is the amount of insurance you personally own. In my own case, over 25 per cent of my income goes into life insurance and annuities. It enables me to guarantee the thing that I am most concerned about and generally speaking, in addition it has easily proven to be the most profitable investment I have made. Owning a substantial amount of insurance makes it very much easier for me to insist that the man do the thing that should be done as I have never been able to recommend that the man

do something that under the same conditions I wouldn't do. If you haven't enough insurance, you should purchase without delay, an additional amount and understand what it is doing for you. If you do this, it can easily be the most profitable sale you have ever made. I have endeavored to school myself to remain in the proper frame of mind. Every day I look over my memorandum book. It contains the names of every client who has died or become disabled. Most of them indicated that they didn't want any additional insurance, but I find that the beneficiaries were very glad that I disagreed with them.

Before going into every interview I sell myself before I endeavor to sell the other fellow. I picture the conditions that would exist if the prospect did this as compared to the conditions if he didn't. I say, what would my family do if they had to get along on the amount of insurance this fellow has? I see my family in a \$50 apartment and not having the things they have today and can get pretty much concerned about that situation. I am not very hard to sell because I believe in my own business, but I claim that many a life man producing less than the million dollar club member, does not properly sell himself and very often wonders why he hasn't sold the other fellow. If you have never tried this in a serious way, I recommend this thought to you.

Radiating Success

Third, put your own house in order. The surest way to improve your salesmanship is to improve yourself. If you are not prompt in meeting your obligations, or disregard them, if you are always hard up, your prospect would not take your advice as seriously as another producer who he knows is successful and radiates success. It is perfectly natural that men like to do business with successful men. Life underwriters, of all men, due to their conservative and proper training should be in much better shape financially than other men with a like income.

Ted Riehle brought out a very interesting book along this line entitled "A Financial Philosophy for Life Underwriters." I recommend it to you.

Owning a substantial amount of insurance and annuities is what we are recommending. It is the surest way I know to give you a real sense of confidence. Million dollar producers have not always been million dollar producers and I think you will find with few exceptions that as they increased their business they strengthened their own financial structure. In the natural course of events they increase their standard of living thereby improving their contacts, which naturally increases their business. But with all this, they are constantly improving their own financial structure.

Determination Key Factor

Fourth, be determined to write the amount of business you hoped to write. The most important difference between a million dollar producer and a mediocre producer is in determination.

Caleb Smith is one of the leading underwriters in this country and for the past 15 years has written over a million a year, probably averaged a million and a half, but it would be hard to convince me that he is six times as smart as the average quarter million dollar producer, but if you take a look at Caleb Smith's jaw you will be willing to admit that he is a very determined young man, much more determined than the average man writing \$200,000 and Caleb has been willing to pay the price, and gets what he goes after.

I have heard many smaller producers talk about some larger producers being very lucky, lots of connections, and what not, but I find usually that the same fellow couldn't be horse-whipped into doing what the larger producer finds necessary to do in order to produce a million or more a year.

Fifth, have a real appreciation of the service you are rendering. If you are

recommending that a man with a like income purchase a larger amount of insurance than you now own, your sales talk wouldn't be very apt to have a sincere ring, would it?

My experience has been that the larger producer has been very earnest about the amount of insurance he owns, that he does believe thoroughly in what he is selling and owns a very substantial amount of insurance and usually all the way up he has owned as large, or a larger amount of insurance than he recommended the other fellow buy on the same income.

The man to whom you are talking, even if he has never seen you before will know almost immediately whether you are really a good underwriter or simply a glad hand artist and full of hot air.

Sticking to Ideals

It is necessary to stick to certain ideals and never surrender them. I have never believed in brokerage business, have never taken a brokerage case and personally think it is a serious mistake for an agent to kid himself in relation to that kind of business.

I see a man, make my suggestion and if he doesn't follow my suggestion I forget him. Unless you are working in a rural territory or a very small city it is my belief that you could very profitably tear up all the cards of these fellows who tell you to see them in six months. If you are the type of a salesman who really takes seriously the six months story your first interview is never as strong as it should be and the second, six months later, is usually a waste of time. Forget the professional procrastinator. You could probably very profitably give these names to competitors and keep them busy while you were seeing some live ones.

Sells the Examination

Unless a man is a client of mine, when I see him I say: "If you will let me have a certain preliminary information that I can get in a very few minutes today and let our doctor determine your insurability, at a later date I will be able to make some suggestions that I believe you will be glad to get, and which you can, of course, dispose of in any way your judgment directs." Very often this suggestion sounds perfectly reasonable to the man and he says, "What information do you want?" Just as often the various objections come up that you all know how to meet, but the point I am making is that if the man doesn't follow my suggestion in that particular way, as far as I am concerned, I forget him. If he wants to "see me in a period of six months" not in an arbitrary way but in a very nice way I tell him that I won't see him in six months. I say: "We are both here today, Mr. Jones, and if you follow my suggestion and come to the conclusion that there is a need for our service I will be able to cover at this time any reasonable situation that you anticipate in six months."

If he follows my preliminary suggestion I will spend all the time necessary on the delivery interview. I find usually that if a case is not delivered in two delivery interviews it can't be delivered at all and I seldom find it necessary to see a man more than twice on a delivery interview.

Makes No Call-Back

If the man doesn't follow my suggestion on my first preliminary interview, I forget him. I make no call-back and it is my belief that this is one of the most important factors in keeping men out of the million dollar club.

I have talked to many men who write a quarter of a million a year who know just as much about the business as I do but I find that some of them are unable to forget the professional procrastinator who says so coyly, "See me in six months, I may be interested then."

It is rather unusual for a man who has been in the business only two or three years to become a consistent million dollar producer. I believe in order to be a consistent million dollar producer that it is quite necessary to have

a rather substantial clientele. A clientele is built gradually; it can not be inherited; you must create it yourself and having created it you deserve and get the benefits that go along with a clientele.

Appointment Is Definite

Over 75 per cent of my business last year was from my clients. About 15 per cent of the remaining 25 per cent were men to whom my clients referred me, therefore 90 per cent of my business resulted from old policyholders. This clientele has been built over a number of years. Some of my clients, of course, I know intimately and socially but practically never, do I drop in for a friendly chat. My appointment is definite and so is my suggestion.

Service means helping your clients maintain a substantial amount of properly programmed insurance in force. It does not mean dropping over every week for a friendly chat and convincing him you are not only a well informed insurance man, but that you are also an actuary. A well advised client who knows the difference between a 3 per cent and a 3 3/4 per cent reserve company and knows that your company is the best company doing business, but who only owns \$10,000 of insurance when he should own \$50,000 certainly

has not been properly served and the beneficiary, when the man becomes an angel, will regret that Charlie did not buy more insurance instead of taking an insurance course from you.

In the Agent's Office

Get your clients in the habit of seeing you at your office. On practically every delivery interview I, at least, give the man an opportunity to see me at my office. When I phone for an appointment I say, "Mr. Jones, we have the result of your examination and I wanted to know when it would be agreeable for you to see me over here." Or, "We have the result of your examination, when do you expect to be over this way?" If the man says, "Why not come over here?" I say, "I will be glad to, it doesn't make a particle of difference where I see you, Mr. Jones, but this thought occurs to me. You are pretty busy at your office directing people and it occurs to me that from your standpoint, it would be more satisfactory to see me over here, because you won't be subjected to various interruptions that you would be at your office, and besides, you probably can dispose of it in a shorter time over here anyway."

Regardless of where I see the man, he will at least be impressed with the

fact that it is important and I do not want to be interrupted and the interview, therefore, is bound to be much more satisfactory. You will be surprised to know, if you have never tried it, that many men are not only willing, but would much prefer to discuss this personal matter at your office; 70 per cent of the cases are closed in my office.

Is Better Organized

I believe the million dollar producer usually works two or three times as hard as the \$200,000 producer. Of course he is usually better organized, which enables him to work more effectively.

I find I can save time by using the telephone. I keep in reasonably close touch with my clients, but I can in a great number of cases, easily determine over the phone whether there is an additional need and if my client has the necessary funds to purchase additional insurance. With a client it is easy to make a simple suggestion over the phone such as, your age is changing, or, you have some dividends, or, I have a suggestion to make in relation to additional insurance. You can tell very easily how he "sparks" over the phone. If he says he doesn't think he wants to buy any insurance, that certainly is

(CONTINUED ON PAGE 21)

Selling What the Buyers Want

FEDERAL LIFE of Chicago, with its new and complete group line, offers agents and brokers the things the insurance buying public wants.

GROUP INSURANCE sales have shown tremendous increases this year. Employers, anticipating the effect of legislative demands for social security plans, are hastening to develop their own plans for cooperation between employer and employee.

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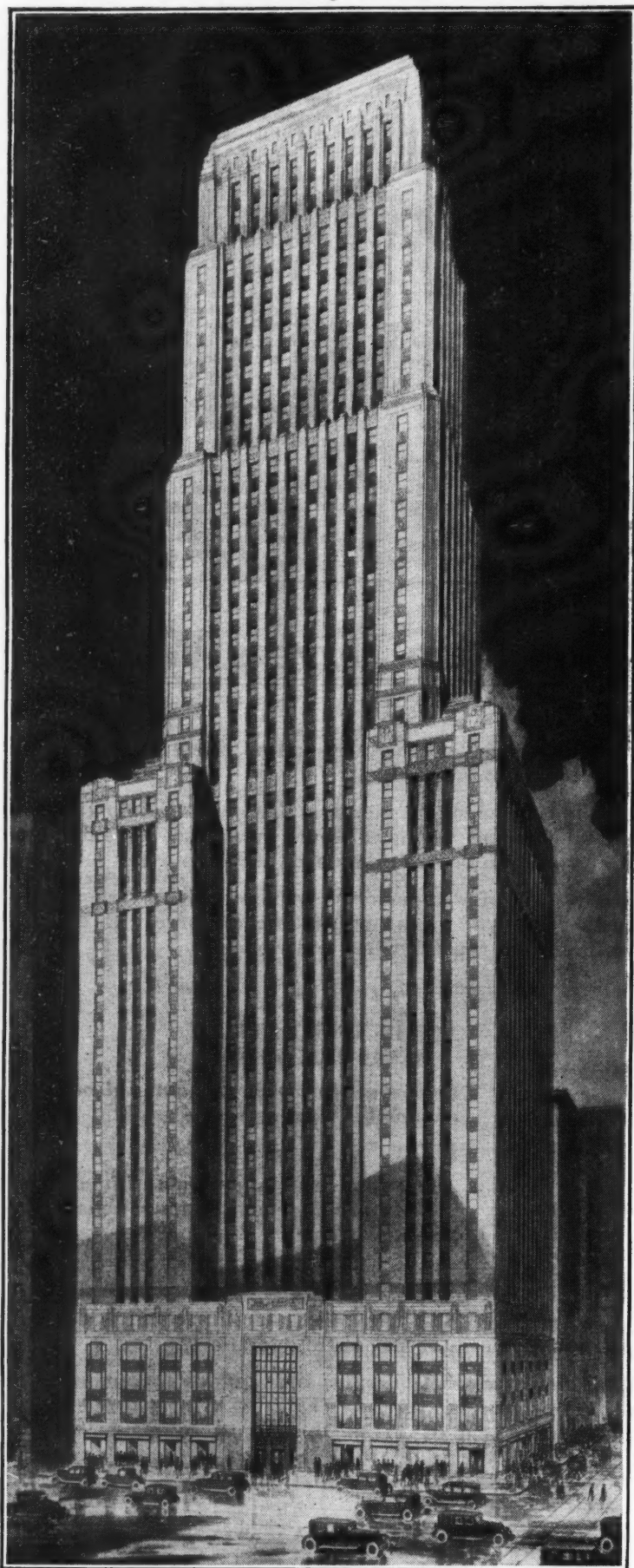
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HODGMAN CULTIVATES CLIENTS

(CONTINUED FROM PAGE 7)

me because of the prospect's connection with a friend of mine; 6 from miscellaneous sources.

Invades Office Buildings

The second year I took to the office buildings. This was a refinement. In the offices I could see more people in the same time, and they held prospects for larger policies. I continued the same approach and made many calls, making many contacts that later became sizable cases. In the second year of the total of 137 cases I secured 40 resulted from natural contacts; 37 resulted from cold calls (door to door); 16 were referred to me by friends; 14 were secured as a result of calls on people whose names had appeared on lists such as alumni of my university, and the balance from miscellaneous sources.

The third year and thereafter I continued to call on strangers but eliminated the cold canvassing of stores and office buildings. I found that I could obtain particularly good results among young men of my own age just out of college by using the alumni directory of my university. The usefulness of this method lasted for five years. It was easy to 'phone the home of a recent graduate, at night, and tell him I was in the insurance business and ask if I could show him our proposition when he was ready to consider the subject. I also began to substitute names out of the city directory of young men in sub-executive positions working within walking distance of our office for the remaining calls, my object being to secure permission to call thereafter and also to secure what information about their present situation and plans it was possible for me to obtain.

Results of Third Year

In my third year I secured 21 cases from the lists of university graduates, 24 from names taken from the city directory and what cold calls I did make, 14 from other strangers whom I solicited because of a connection with a friend of mine, and 38 from policyholders I had previously written.

Within the past three or four years I have not had to use the cold canvass method a very great deal, nor have I added so many new names from the city directory or other lists, because I found that my prospect file was getting filled with names of more people than could be seen. My principal source of getting new customers in the past few years has been by mixing with my friends, calling on my policyholders, and noting their business contacts, their friends, etc., securing the names of these friends of contact and at a judicious time call on them. This matter of adding new names has not been a difficult one.

The other day when calling on a policyholder to deliver a policy I found he was not in his office; the man sitting at the next desk volunteered to help find him. This act of kindness naturally made him friendly to me. It was a simple matter to learn this man's name and at a later time call on him as a purely business basis knowing that he would know my business. I have sometimes observed on the street a likely appearing young man walking with a policyholder; the small matter of putting this down on a card and later asking my friend the other man's name has been helpful in extending my acquaintance. When I don't forget to do so, I also find it helpful in remembering names of people whom I meet, if I put their names in my little date book. I am not so good at remembering names and need this help.

Natural Contacts Best

The natural contacts which I had were the best prospects in my early years. I have tried to avoid commercializing my social contacts, yet have been able to take full advantage of them without embarrassment to them or my-

self. With the conviction that what I had was a service to them, I have felt no reluctance at calling on my close friends and asking permission to present our wares on a business basis when the subject came up for consideration, and then asking quite frankly what the present situation was and what the prospects for consideration of additional might be.

The closest friends we have, have first been acquaintances, then policyholders, then close friends. Thirteen out of 16 in our bridge club are my policyholders, as are my brothers and brothers-in-law; my neighbors on each side, two former landlords, the men who sell me gasoline for the car, the service manager at the garage, our baby doctor, and 60 who worked in the same office where I spent the first year out of college, and about 15 who were living at the Y. M. C. A. at the same time I lived there. I did not know all these people at the outset, of course, but I found that I could, for example, plan to eat lunch at a table with a friend and a stranger and meet the stranger, or I could easily have a cheerful smile when

going into an office to call on a friend. Being cheerful seems to be contagious. And any fellow at another desk who smiles at me gives me an invitation to ask my friend his name.

Endless Chain Method

I have not been successful in the use of the endless chain method, nor in getting references from my customers. The reason is that I have not tried it. Yet during the last ten years I was surprised to find that I had secured 125 cases which have been referred to me by friends or policyholders.

For the first few years the general agent was not particularly generous with leads, but when he found out that I was willing to call in the evening on policyholders of other men who had left our office, I was able to secure several valuable contacts. In the past 10 years I have secured 88 cases in this manner.

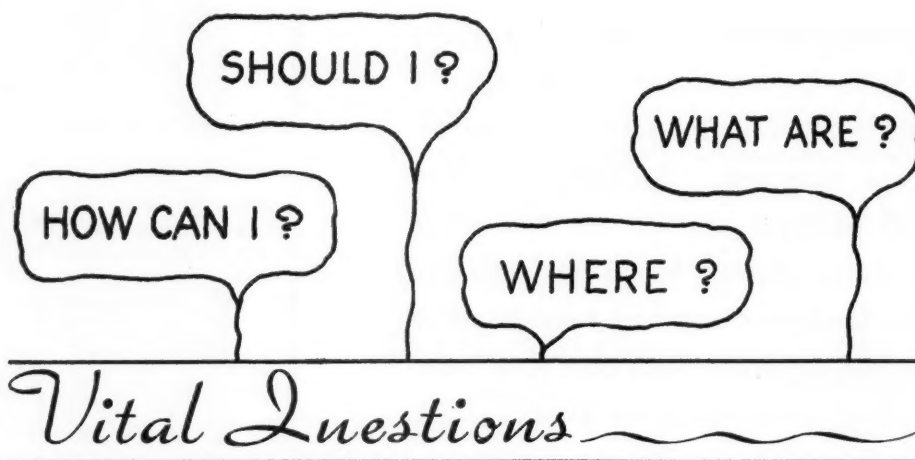
Lately I have had better results in working on prospects who had some connection with friends or policyholders of mine, although I have had an inferiority complex about asking my policyholders for leads or introductions. I have secured 35 cases in this way within the past eight months although in the entire period of 8½ years previous to this, I have had but 88 cases

in this way. These have been secured largely by observing the friendship or the connection in a business way between the prospect and a policyholder, and making a call on the prospect at a judicious time. Outside of husbands and wives of policyholders of which there have been 12 since the first of the year, I have had the following results within the last 12 months: On father-in-law, one; son-in-law, one; daughter, one; sisters, two; brothers, three; sons, four; secretary, one; husband of secretary, one; brothers of employee, two; friends met socially, three; neighbors of policyholder, two; men at adjoining desk to policyholder, five; man who took position of policyholder, one.

Brother-in-Law Question

I have a card over my desk on which is written: "Have you a brother or a brother-in-law in Detroit?" This is to remind me to ask this question, and I must confess that the question is seldom asked.

The most fruitful source of all my business has been repeat orders from policyholders. Between the first of the year and the 20th of August, of the total of 135 cases I have had, 66 have been on previous customers and 36 have been secured on contacts of, or those in some way connected with the policy-



A substantial number of Life Insurance men are from time to time confronted with this very vital question:—"Should I attempt to become a General Agent or should I stay in personal production?"

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If you are interested in seeing a copy of this booklet, we should be glad to send it upon request.

ADDRESS C. C. FULTON, JR., AGENCY VICE PRESIDENT

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Ethelbert Ide Low,

Chairman of the Board

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President

holders. In other words 102 out of the 135 have been the result, directly or indirectly, of calls made on policyholders. In the nearly ten years I have had 452 out of a total of 1,320 cases on customers one or more times previously insured. And yet there are men in our agency who do not have an age change file!

I should like to state that old man law of averages has been a very good friend of mine, and although now out-moded and discarded by the most intelligent

underwriters, I still feel grateful for his support. I have found that if I were to get a half million of business during a year I could do so by obtaining \$10,000 during each week. I have found right through the depression that the amount of business secured had a definite relation to the number of calls I had made; and that if I would make 50 calls per week, I could (on the average) get my \$10,000 of business. This simplifies my problem to seeing 50 people per week, which means that from

Monday to Friday I see 10 per day.

As will be observed I have had reliance on the quantitative method of prospecting, and in doing so may have overlooked the opportunity of mixing in a number of those who could have been larger buyers. The danger is ever present that with this type of organization the salesman may deteriorate into an order-taker and a policy-seller, and that he may become content with and seek out only small policies. My record has nothing in it to be commended so

far as qualitative prospecting is concerned. In its support, however, may it be said that it has provided us with a reasonably adequate and regular income, has been the foundation of providing a wealth of friendships, has not forced us to try to keep up with the Joneses, and I don't recall having had a headache over the notes that may have been taken. And is it not some comfort to have a thousand policyholders most of whom are still insurance buyers?

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Chicago Skyline at Night

Kauffman & Fabry Photo

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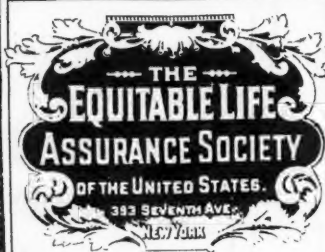
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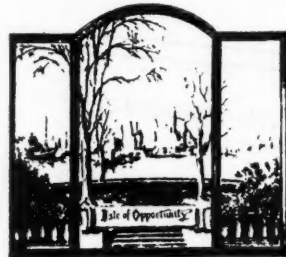


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Company

Springfield, Massachusetts
Incorporated 1851

LAWRENCE E. SIMON
General Agent
20 Pine Street
New York

No.
The Penn Mutual
Life Insurance
Company
of Philadelphia

J. ELLIOTT HALL AGENCY
Osborne Bethea, General Agent
50 Church Street
New York

Policy No.
Date Month 19

Provident Mutual
Life Insurance Company
of PHILADELPHIA
Founded 1865

CLANCY D. CONNELL
99 John Street, New York
BEekman 3-6131

POLICY NO.
ON LIFE OF

The
Prudential
INSURANCE
COMPANY
OF
AMERICA

HOME OFFICE, NEWARK, N. J.
INCORPORATED UNDER THE LAWS OF THE STATE OF NEW JERSEY

GERALD A. EUBANK
Manager

Downtown Agency
40th Floor, 40 Wall Street
New York City

MANY features
contained here
shown and
today are growth of
the work of century
by Elizur W. Wright, Father of
Life Insurance, as com-
pany officials in-
surance Co.
The great insurance
expansion is looked
upon as his work.
The prestige - the
very size of the con-
vention attending -
was much of Elizur
Wright - in which he
ought in opposition.

Going Easy When Prospects Are Good

(CONTINUED FROM PAGE 7)

our methods of work. A sales demonstration should precede our request for names. We start off by asking a leading question, and by a leading question I mean a question which is put in such a manner that it instantly compels the policyholder or friend to mention a name. The question might well be: "Bill, you are in charge of sales for this corporation. Who is head of the advertising department?" A name is forthcoming immediately. Bill says "John Smith." The second step in our technique is to qualify the name as a prospect or not. We say: "Tell me something about John Smith. About how old is he? Is he married? Has he children, etc.?" We ask the questions which are required to determine for us whether or not John Smith may be considered a reasonably good prospect. Assuming that John Smith measures up to qualifications, we follow through with the third step which is to seek an introduction.

Rather than ask for a card of introduction we find it sufficient generally to merely seek permission to use the name of our center of influence (Bill) when we approach John Smith, so we frequently put a question in pretty much this manner: "From what you tell me, Bill, I believe that John Smith is the type of man who would be interested in obtaining our ideas and surely his situation is such that he should secure these ideas. He will benefit from them just as you have. I may wish to call on John Smith some time in the near future, and when I do I do not wish to appear a total stranger, so I would like to tell him that I know you and give him the privilege of checking me up through you. That's o. k. isn't it?"

Qualifying List System

We rarely fail to secure the name of a good prospect through the use of this technique. Let me repeat the three simple steps involved:

- 1) Establish a name by asking a leading question.
- 2) Qualify the name to determine whether the man is apparently a prospect for you.
- 3) Secure the privilege of referring to your center of influence.

In this last step there are occasions when we do ask for a card of introduction, or a letter, but these occasions are rare.

The third method of prospecting which we have used successfully is somewhat similar to this second method but is of such a nature that it generally develops not one or two prospects but half a dozen or ten or more. I choose to call this method the qualify list method.

I recall a doctor whom I insured and I remember that when I delivered the policy on the first sale I had used the leading question method and as a result secured the name of another doctor whose suite adjoined that of my client. Some little while ago I found I needed a little new blood in my prospect file. As a result I prepared a list of 12 doctors whom my policyholders should logically know. Their offices were close to his and their specialties were similar to his.

I put the list before my client. I said "Doctor, here is a list of 12 doctors whom I am planning to see. I know comparatively little about them and perhaps a call on some of them would be a waste of time. I thought you might help me select the best ones. I presume that you know some of them. Will you please tell me whom you do know." In this case he indicated that he knew 10 of the 12. That completed the first step of the technique because I had established 10 names whom my center of influence knew.

It was a simple matter to ask the necessary questions about age, family

status, earning ability, etc., and in the process eight of the ten names appeared to be very good prospects.

The third step, which was to secure the privilege of using his name, was very simple. I thought letters of introduction would be desirable so I followed through with the request for a letter. Having already granted the privilege of using his name, he did not hesitate to give me the necessary letters.

The fourth method of prospecting is to secure lists of qualified names without introduction. Naturally, if it is possible for us to secure sufficient names by the use of one or more of the first three methods, we would not use method 4, but we find instances where men cannot use the first three to the extent of keeping themselves fully occupied. Realizing what an important part consistent effort plays in the success of a salesman, we encourage the use of any method which will keep the salesman constantly occupied. It is easy to secure the names of qualified prospects from sources where it is difficult to secure an introduction.

Got Names from Salesman

I remember a time when I secured a reasonable number of these names from a salesman who is selling an educational service to young executives. His work compelled him to find men of the type whom I wished to meet. Without any hesitation he gave me their names and told me all he knew about them. He, naturally, withheld the use of his name because of his relationship to these people. In exchange I frequently gave him names of people whom I had met or sold.

One of our associates when he entered the business had a very limited acquaintanceship in the territory. As a result he found it difficult to secure enough referred leads to keep him occupied. One of his friends was a salesman who did direct canvassing in downtown New York. This man had already given him two or three referred leads—social acquaintances. In this case our associate prepared a brief letter which he planned to use in an attempt to secure admission to the offices of people to whom he did not have an introduction. The letter of itself is not important. Anyone could prepare one equally good, but he took this letter to his salesman friend and said, "Joe, I have found a way of approaching people on my own initiative but, as you know, it is necessary for me to approach the right type of people if I hope to get satisfactory results. This letter explains the method of getting to them. I wish you would read it." His friend read the letter, thought it was very good, and asked how he could help.

Use of Leading Questions

Our associate suggested that since his name would not be brought into the conversation, he thought that he might be able to give him the names of some of his business contacts. The appeal resulted in 56 good qualified names. This prospecting sale had been planned carefully and our associate was prepared with sufficient leading questions to secure names of people whom this center of influence knew socially. By asking these leading questions, 20 more names were added—all of them well qualified prospects.

Our associate then followed through and attempted to secure the use of the center of influence's name when he approached the people whom he knew socially. This permission was granted very readily and as a matter of fact, it was granted also in connection with some of the man's business contacts. The net result was 76 qualified names—36 with introduction. Even if our associate never contacted the 40 qualified names to whom he had no introduction, this prospecting attempt certainly was successful for he had 36 three-point prospects.

The fifth method is cold canvass. This method is to secure unqualified names without introduction. We take

names of this type from newspapers, trade journals, alumni lists, club lists, classified directories, etc. We secure names for a list of this type from observation. Many times seeing the name of a company with the names of some individuals listed on the directory board of a building. Surely every agent knows that it is easy to build up lists of this type. Of course, the more imagination we use in building such lists, the more apt we are to put good names on the list. I certainly believe that the list method, built by the individual salesman, is better than turning door knobs without knowing anything about who may be in back of the door.

There are three ways available to us of getting in contact with the people on these lists. One is a direct call. Here we find that it is not difficult, even in New York City, where many men have two or three body-guards, to at least meet the man and if as we meet the man we conduct ourselves carefully, certainly we can gain his permission to come in to see him again and thereby secure the opportunity of our second visit to give our sales story.

Too Much on First Contact

I think the reason why many men fail on cold canvass is because they attempt too much on their first contact; they attempt a complete sales talk on each interview. I know that in the early days this was a practice followed by me and other men in the agency and, although the law of average netted some of us a small sale per week, nevertheless the experience was extremely discouraging in that a terrific amount of effort was required to get nominal results. Today we recognize cold canvass primarily as a method of prospecting which merely means that on the first call we have an opportunity to meet the man, to exchange a few words, and to gain his permission to come back on some future day and tell him something of our ideas.

The second way of contacting these people is through direct mail. We find it is far more effective to carry the letter or advertising piece with us and send it in, rather than to mail it to him and hope for a reply. Some of the boys work on a two letter system. The first letter is a simple build up and is mailed directly to the man. The second letter refers to the first one and seeks the privilege of meeting the man. This second letter is carried by the salesman and sent in through the secretary.

The third method of contacting is through the use of the telephone. Our experiments along this line have been extremely meager.

Mental Attitude Vital

To sum up, we find we are most effective when we employ one or more of the first three methods. About one-half of this 85 per cent comes from natural contacts and the other one-half from referred leads secured by the second and third methods. Practically all of the remaining 15 per cent comes

from method 4, developed by a personal contact. We employ method 5 to a comparatively small degree.

The mental attitude of the salesman has so much to do with his success in this business. The salesman who takes a careless attitude toward the prospecting makes his work extremely difficult and rarely succeeds in a large way. This business is easy when we are dealing with good prospects and if such is the case it would seem that the correct mental attitude that those of us here who need a lesson in prospecting should attempt to assume, is that prospecting deserves a reasonable portion of our time. Prospecting technique deserves a reasonable amount of study and should be developed just as we develop a sales technique, and finally our mental attitude should be that there is no magic forthcoming on this subject of prospecting—that we must win or lose by employing one or more of these five basic methods described.

Law and Legislation Committee Report Heeded Closely

Much attention was given at the meetings of the trustees and of the national council to the report of the law and legislation committee of which C. Vivian Anderson, Provident Mutual, Cincinnati, is chairman. Mr. Anderson reviewed the hectic days, now well known, when Congress was considering, as part of its revenue bill, a measure to provide for taxation of insurance proceeds in the hands of beneficiaries.

Just before final action was taken and it seemed assured that the obnoxious legislation was to be defeated Mr. Anderson recalled that a news release was sent to the presidents of local associations to be submitted to the newspapers relating the work of the local associations in killing the proposed measure.

Mr. Anderson said the incoming laws and legislation committee should be instructed on how to proceed towards the so-called Clark amendment to the social security act exempting private pension plans. At the mid-year meeting in Nashville the Life Presidents Association opposed the National association taking a position in this matter and the American Life Convention was lukewarm.

National Guardian Life Man

A. G. Schmedeman from the head office of the National Guardian Life of Madison, Wis., was on hand taking notes to make a report to President G. A. Boissard of his company.

J. B. Thompson on Hand

Joseph B. Thompson, former Missouri commissioner who is now connected with the head office of the Kansas City Life, is at Des Moines representing President J. B. Reynolds.

One of Each Five of Our Agents Has Been With Us At Least 10 Years; Several 25 and 30 Years

Modern policies, proven sales aids, helpful programs, stimulating calls (from "Company Men") help the agent succeed, and develop a mutual personal interest that is pleasant, attractive and lasting.

We have an interesting proposal for qualified, high grade men not now under contract.

GREAT WESTERN INSURANCE COMPANY

In Our Own Building at 2015 Grand Avenue
DES MOINES, IOWA



Reproduced from an original Jay Hambidge drawing from the picture collection of The Lincoln National Life Museum. This portrays the congenial personality of Abraham Lincoln.

FRIENDLINESS

Lincoln's sincere but humorous trends of thought gave him mental relaxation and developed innumerable friends and lifelong admiring acquaintances.

This Lincoln trait furnishes a splendid suggestion to life underwriters. Such a personality combined with purpose and determination develops sales efficiency. An optimistic salesman backed by a dependable organization can render valued service. A host of friends helps create a volume of business.

The Lincoln National Life Insurance Company

FORT WAYNE, INDIANA

Tearing Up Estates Does Great Damage

Serious Effect of Heavy Increases in Taxation Is Pointed Out

PARTICULAR CASES CITED

Favorable Results From Outlining Life Insurance Programs for Estate Protection Told

By C. VIVIAN ANDERSON

(Mr. Anderson spoke on estate conservation and taxation at the meeting of the Million Dollar Round Table.)

The average legislator, or the average layman, doesn't appreciate the damage that will be done to this country if they continue to tear estates apart. It is true there is a good bit of jealousy and a good bit of feeling about the fact that a man is going to pass on to his son or his children a large estate which he didn't earn, but at the same time that estate will soon be dissipated or go back into other hands if the son or the daughter or the wife doesn't know how to handle that and isn't a good trustee of the money that is turned over.

At the same time, however, it is very important that some of these estates, where they are in closed corporations, be turned over in their entirety to someone to manage so that the control remains in the hands of a certain group of people.

I have a very interesting case of my own, where if the moving spirit of the corporation were to die today and the estate were torn apart, so that the control was spread and lost by the group that now controls this institution, one of the largest of its kind in the United States, it is very doubtful whether that institution would continue to function, whether it would go on, because the men who want to get control of it are not good trustees of that corporation, its assets and its value and ability to do certain things.

Controlling Interest Protected

It has been my privilege to help set up a method whereby we can protect the interest, the controlling interest, so it will go into the hands of those who do know how to operate it and will handle it to the best interest of all stockholders and keep that business going.

It isn't only the stockholders that we as underwriters should be interested in, because if the men employed by this corporation are kept in a job in that community and earn a good living and spend their money, they make for thrift and commerce, and make it possible for them to buy small policies of life insurance to protect their families and eventually rise to better positions in that corporation, a manufacturing plant. If, on the other hand, this corporation should go out of business or become bankrupt through mismanagement, you have thrown out 4,700 men and women from jobs of all kinds and sizes and pay, and it is a great detriment to that community.

Fights Increase in Taxation

I have been very keen to fight any increase in taxation in the state and nation, and I think that the life underwriter can do a great service to his community if he jumps into the fight and helps keep down expenditures so that we have no further increases in taxation. When I leave this convention I shall spend a week in Columbus, or almost a week, with a group of men, trying to keep the state of Ohio from increasing the taxes this fall, and trying to point out to that state and to the

legislature where they can save money, because it is a service that is worth thousands of dollars to me indirectly to be in on that kind of thing.

Survey of Estates Made

We had a survey of 850 estates of \$100,000, showing an average cost of administration of 18.6 per cent and an average cost in each estate of 7.3 per cent, and a cash deficiency of 11.3 per cent, showing the federal estate tax of 9 per cent and the state tax of 2.7 per cent. There were 412 estates of approximately \$250,000; 273 estates of about \$500,000; 148 estates of \$1,000,000, and 31 estates of over \$5,000,000.

I want to call your attention to the fact that as these estates get larger there is less cash available, giving the underwriter a marvelous opportunity to step in there and furnish cash with which to pay these taxes. These estates are actual estates, all settled previous to the amended 1932 amended law which was amended in 1934.

Specific Case Cited

I have had two or three interesting cases recently that I want to talk about a minute right along this line and which were brought about by some work on this tax matter. I induced the Ohio chamber of commerce and all other chambers of commerce in Ohio to jump in on this tax fight in Washington and in talking to the president of one of the chambers of commerce about what is going on and how much it meant to him and his estate, he suddenly woke up to the fact that he had to give away some of his property and to protect the rest of it with life insurance. We set up four trusts for minor children; because a minor cannot make a will we did not want to have him die and this property go into his estate and be spread to the four winds, so a trust was set up providing that his son was to have this property and the income from it and actually to come into the possession of the voting power of this stock at 30; the voting power to be lodged in another member of the family who had to confer with the trust company as to how this stock was to be voted. In that way the father could more or less control the destiny of his corporation, in which he owned the controlling interest, because he knows that the person who is in line to vote will vote with him.

How Trust Is Arranged.

This money can be used for various purposes as specified in the trust and at the child's death the income up to a certain period of or certain length of time, goes to the wife if living, if there is one, or children in the absence of a wife, and from the children to the brothers and sisters, and on down, taking enough beneficiaries so we will not run out of some place to finally lodge this estate.

It has done two or three things; it has cut down this man's large income so that he does not have to pay enormous income tax on his holdings; it gives these children, two of whom are in college at the present time, income to be used for their education and other things; it gives them a sense of responsibility; it has cut down his estate to such an extent that it is going to save a great deal of money in the final distribution of his own estate, and he did this for a very nominal sum in gift taxes.

The question has come up since I have been in Des Moines as to when the new gift tax goes into effect. It goes into effect Jan. 1, 1936. That ought to be a word to the wise and you fellows out to make some money out of it.

Case of Man of 75.

Another estate that is rather interesting is a man who owns a small business, comparatively small capitalization, but a very profitable business, is 75 years of age, and wanted to get out from under the enormous taxes he would have to pay at his death, because if business improves the share of stock will probably run up to \$800 or \$900 a share. At the present time they are selling on the open market, common stock, at \$80 a share. We arranged to

sell to two sons a very large block of stock at a fixed valuation, based on the price of the stock at the present time on the open market, for the consideration of assuming a \$17,000 note in the bank. Then he gave away a large block to these boys, based on the purchase price of the stock he had sold them.

Control of Business Retained.

Now, it is a sad thing to give away your estate and find yourself out in the cold as far as control of the business is concerned, so, because of the sale price of the stock and the note at the bank, we arranged to give this man irrevocable proxies for the voting of the stock until the notes for the purchase price were paid off. We made those notes run for 15 years and in the trust provision they have no right to pay those notes off without his consent, so he can always control the corporation which he formerly owned. He owns only enough stock to make it possible in Ohio to sit on the board of directors and vote.

Of course, these estates, both of them, entail the large amount of insurance, because we used a stock purchase idea with the two sons to take out enough life insurance so that in the event of either's death the other one would get the stock and the family of the deceased

son would get the cash from the insurance in trust.

I may be wrong but I think I am not when I say the opportunity for the fellow that wants to think ahead a little bit in our business, wants to study the tax problem and apply it, is great to make more money in the next few years than has ever been made through the medium of insurance to pay federal and state taxes.

SIMON WOULD SOAK RICH

LEON GILBERT SIMON, Equitable, New York: Do I understand, Mr. Anderson, that you will do all in your power to prevent increased taxes, especially by the states?

MR. ANDERSON: Yes, sir. I think very definitely that we can go too far in tearing down the estate. There is no question in my mind that local, state and national governments are spending too much money. The cost of government is too much and that is your first attack. If you cut down the cost of government you are going to cut down the taxation. If you continue to tear down estates you are going to destroy commerce, destroy the incentive for men to create estates or build something. They will take what

A Great Mid-Western Institution

Dedicated to unsurpassed service in everything pertaining to the business of Life Insurance.

Offers:

- Policies for men, women and children.
- Modern plans, options and provisions.
- Traditionally prompt service on claims.
- Financial strength and stability.
- Helpful, understanding service to the members of its Agency Organization.

H. K. Lindsley, President
J. H. Stewart, Jr., Vice-President-Treasurer
F. B. Jacobshagen, Secretary

The Farmers & Bankers LIFE INSURANCE COMPANY

Wichita, Kansas

"Policies that Protect"

RADIO STATION K F B I -- 1050 KILOCYCLES

Is Speaker at Dinner of National C. L. U. Chapter



W. N. HILLER, Chicago
Penn Mutual Life

they have and say: "I should worry" and close up shop and go home.

* * *

MR. SIMON: I agree with you very much that we should reduce the cost of government, if possible, but I wish to offer this dissenting thought. I am a firm believer in increased taxes on inherited wealth not because of the revenue the government may get but because of the social significance of inherited property, especially by those who do not do anything for the purpose of its acquisition. If they step aside and realize we are just units of a tremendous commonwealth called a democracy, we have a problem to realize that is fundamental. A great number of these vast fortunes are based on practices that are not known to the general public. As you know, some of the great fortunes of this country were laid and developed because the founders of those fortunes were particularly careful and tricky in their manipulations. Then sometimes these men become great philanthropists after acquiring millions of dollars. Then such a man tells the world what he does but not how he acquired his fortune.

Two Essential Burdens

I think one thing we should realize is that in the coming generation there are two essential burdens, one is the payment of our war debts, which we transmit to the future generations by a bonded indebtedness and they will worry about it. The next is that eventually too few men will have the money under their control in this country. That leads to revolution and distress, and the very thing that democracy is created for, that all persons are free and equal, is purely fiction.

For example, your clients start off with \$1,000,000 of inherited property; the overwhelming majority start off with nothing. How are you going to attempt a leveling process unless you take away a part, a material part, of those who get it and give it to those who have not got it? That transfer must be made now or the generation to come will never have true democracy as long as we have a large inheritance of wealth. That is a mathematical calculation that history indicates. Unless we take away the money from those who have it, in the sense of fairness, and give it to some that have not got it, we are going to run up against a serious situation, entirely outside of life insurance.

I must admit that while my clientele are all men of considerable wealth, and I have perhaps lost some by exposing my thoughts, nevertheless I believe that the facts must not be overlooked in a discussion of this kind. Mr. Anderson cites a very fine case, the fact of 4,700 people

Characteristics of Million Dollar Man

(CONTINUED FROM PAGE 11)

an invitation for you to make an appointment. If he says, "no," very definitely, you will know from your relationship with your client whether he really means "no." It would be impossible for me to have the number of cases I have if I were not able to conserve my time by the use of the telephone.

Furnishing the Office

I can never understand why a man will spend thousands of dollars in furnishing a home and then refuse to spend \$500 to furnish an office. I spend many more of my waking hours at my office than I do at my home and am just as much concerned about the looks of my office as I am my home in the country. A nice livable office helps me keep in the proper frame of mind, and I am sure my clients are also interested in doing business with a man whose office would indicate that he is successful.

Ted Riehle has done a wonderful job in relation to part-timers and it is my firm hope and belief that in the not too distant future that the part timers, generally speaking, in cities will be eliminated and there will also be a minimum production requirement in order to hold your contract, and I hope the minimum will be at least \$75,000 or \$100,000. Proper allowance would be made, of course, for any unusual situation, sickness, length of service, etc. A ruling of this kind would help all of us.

Cooperating with the Manager

The larger producer spends considerably less time criticizing his general agent, manager, and company, than the man writing a quarter of the amount of business. Your manager or general agent is very much interested in your success. His job is not easy and he is entitled to your cooperation as well as you are entitled to his. I find that men who are willing to cooperate seem to be writing the largest amount of business.

The year 1931 was the peak year of million dollar club members. There were 170. In 1934 there were 101. This year there are more. I predict that next year we will have considerably more million dollar producers than this year. The companies can help and I believe in five years we may have five times as many. These men will be very well informed but possibly not the best informed, but they will be sold on themselves. They will be sold on their business. They will own a substantial amount of insurance themselves and I promise you they will be unable to tell you an easy way to produce a million dollars of life insurance because there is no easy way. I sincerely believe that if many of you men would be willing to pay the price that million dollar producers find it necessary to pay, you can become members of the million dollar club and believe me, you will receive a very hearty welcome.

being employed and if the tax is imposed on this estate the business may have to be broken up and the 4,700 workers who have been pictured as having a nice income and can buy life insurance will have their lives interrupted and we may have chaos. Look beyond that man transmitting the property to his sons who, in turn, transmit it to their children, and you will eventually have 150,000 people working for one man who never did anything to acquire the ownership of the property and in the end, if you read history, he will be something of a tyrant and the 4,700 people will find themselves better off if they had started off looking for a job.

Home Life Delegation

From the Home Life of New York came Vice-president Cecil Fulton, Superintendent of Agencies W. P. Worthington, and Field Assistant Daryl Johns.

"I Tell Stories"

"I don't sell insurance. I tell stories."

So said one of State Mutual's own producers, a headline speaker at its memorable 90th Anniversary Convention in June.

He illustrated with this picture: "A cute young wife with blonde hair; a nice young fellow, doing well; not much income; two curly headed youngsters—a Readjustment Income policy. An automobile accident; \$1,000 for burial expenses and some left over; \$100 a month for two years; \$35 a month for three years more.

"Now, paint your own picture. There is the story. Take it and use it. That is parcel selling. It's better by far than no selling at all. Better for whom? For you, the agent? No, but for that cute young widow with the two curly headed children, and perhaps even for Daddy, who never came home again, even on pay day, after that truck struck him."

STATE MUTUAL LIFE ASSURANCE COMPANY

of

Worcester - - - Massachusetts

Incorporated 1844

Forward Together!

NEXT year this Company will celebrate its first quarter-century of service. It has won the confidence and good will of westerners. It reviews a record of steady, conservative progress, yet constant modernization of views and methods.

*Direct liberal home office contracts for fieldmen. *Non-forfeitable renewals. *A complete line of policies. *Juvenile, women, group, wholesale, accident and health. *Proven organized selling plans. *Dynamic presentations. *Sales aids for every situation. *Understanding home office cooperation. *Really helpful instruction and supervision for new men.

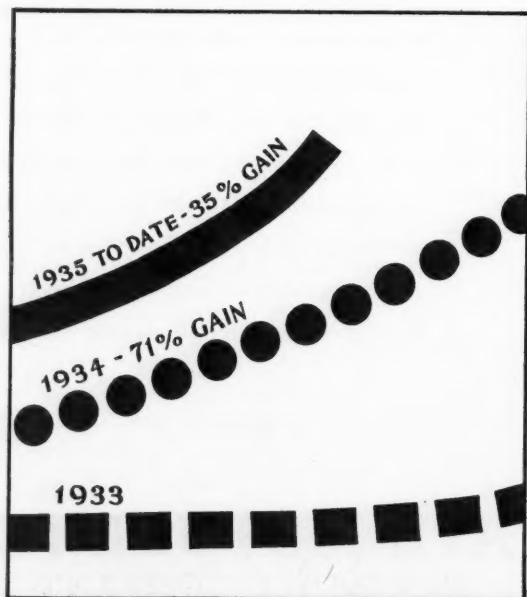
Competent, faithful underwriting in the field means permanent progress. Congratulations to the National Association of Life Underwriters.

California-Western States Life Insurance Company

SACRAMENTO

CALIFORNIA

GAIN!



The MIDWEST Life
INSURANCE COMPANY
of Lincoln, Nebraska

C. L. U. Valuable If Knowledge Is Used

Its One Purpose Is to Aid Agent to Hit Mark of Production

APPLICATION IS NEEDED

American College Is Called Spirit University That Is Result of Vision of Leaders

By MAURICE B. COHILL
Special Agent Equitable Life of N. Y., Pittsburgh

It was not intended that I should try to make an academic presentation of the C. L. U. cause but rather that I should try to say something that would be helpful in getting the C. L. U. personnel into action.

Your chairman has referred to the fact that I was an officer in the United States navy during the war; and a letter addressed to me last May from your committee asks: "Do you think that the importance of this thorough training (meaning the C. L. U. work) compares with the comprehensive knowledge required of the naval officer?"

My answer is that they are in one and the same category. It was a long time before it actually dawned upon me that the navy, a great organization in our national life, existed for one primary and sole purpose. That was—when a shot was fired to hit the mark.

Factors in Simple Process

Unless you have served in the navy you probably have no conception of all the factors involved in what seems to be the simple process of pulling a trigger and sending an agent of destruction on its death dealing way.

You are inspired by the majesty of a battleship; you are inspired by the appearance of the men, by the precision with which everything is done.

Back of all this magnificent display of strength and achievement in action is the drab, monotonous daily routine of the men who have chosen the navy life, and back of all is the one great purpose of the organization; namely, to hit the mark.

Analogous to the navy in our chosen

work is the American College of Life Underwriters. It has but one purpose to justify its existence; namely, to help you and me get a name on the dotted line.

Drudgery of Daily Effort

Back of all achievement whether in navy gunnery or life insurance salesmanship is the drudgery of daily effort. It is target practice, practice, practice, that makes possible the bull's eye. It is the application of all that is known in modern gunnery that registers the hits. It is the application of all that constitutes the curricula of the American College that makes for names on the dotted line.

Back of all accomplishment must be long arduous hours of trying to develop a perfect technique. We can hardly hope for distinction in our chosen profession without meeting the requirements essential to victory in any line of endeavor.

Becoming a C. L. U. does not automatically make for one's success as an underwriter, and if membership invites a smug complacency on our part, then the C. L. U. movement would have little to recommend it. Many a graduate of the leading universities of this country have been found in the breadlines and have discovered to their chagrin that college graduation in itself did not make them objects of reverence.

It is the use of what we are presumed to know as a C. L. U. that will give us our rightful place.

A life insurance or annuity sale resolves itself into a few simple elements well known to all of us which, if used, will work miracles.

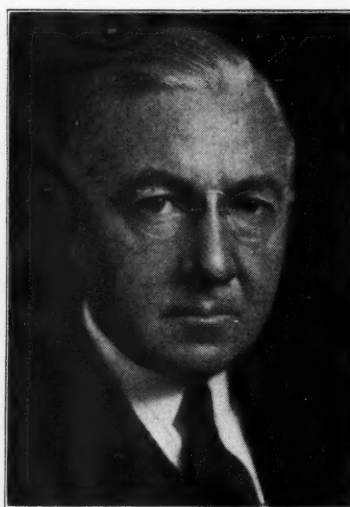
Prospect Is First Step

The prospect is the first step in the sale. Prospects exist in wide variety. Then comes our approach, which is always full of dynamite and calls for the best that is in us. I think the fellow who said that a sale is made in the first two minutes of an interview is very close to being right.

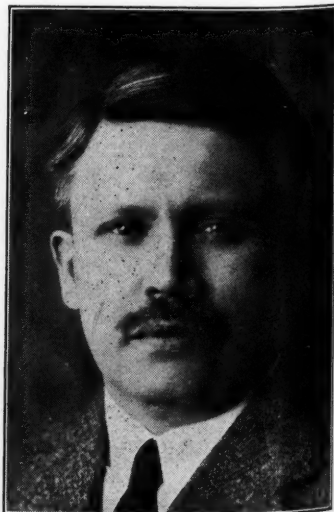
An interesting case I remember was that of a man who was known to one of our agents but a stranger to me. The agent asked me if I would go with him to interview this man. I agreed. On our way to the man's home we rehearsed a beautiful approach but when the man appeared at the door our approach was knocked into a cocked hat. When I was introduced, our prospect said: "I am insurance poor now and I've been run ragged by life insurance men."

So far as he was concerned the interview was at an end. Happily, at the moment, it dawned upon me that this

Speak at Conferment of C. L. U. Degrees



JULIAN S. MYRICK, New York
Former National President



DR. S. S. HUEBNER, Philadelphia
President American College

was a fellow who had just returned from a cottage on the Rhode Island Coast, next door to which I had been a visitor.

Immediately I said, "You had great surf bathing at Weekapaug this year, didn't you?"

Situation Changed Immediately

After drawing a "Yes" to that one he invited us in. The whole situation changed immediately and after swimming around awhile together in the surf, we dragged him out and this insurance poor man, who had been so bedeviled by life insurance men, took \$55,000 additional protection.

It was a prompt switch in the approach, plus the presentation that followed, which consummated that sale.

When it comes to presentation, our C. L. U. training plays its most important part, for while it is possible to have some tricky approaches and closes, in the long run, it is the agent who has laid deep a foundation of preparation for his work, plus keeping himself daily informed, who will endure and who will achieve results in our business.

The close tries the spirits of us all. It seems to be a mysterious something, baffling analysis. There are those who think that it calls for some special magic or hocus-pocus. As a matter of fact, it is the natural result of having a good prospect, a decent approach, an interesting and intriguing presentation. Under those conditions, the close becomes well-nigh automatic.

In the year book, in defining the professional nature of C. L. U. standards, it says: The day is passing when the agent is content to know only the technique and psychology of salesmanship, to rely solely on motivation of his prospects by subtle appeal to their emotions and instincts, et cetera.

Decent Appeal to Emotions

It is hardly fair to take this statement out of its setting in making reference to it, but when I read it I thought that if I had to rely on one method or the other, I would choose a decent appeal to the emotions of men, rather than the academic or logical course. We must not esteem lightly the psychology of salesmanship, and the methods of the old patent medicine vendor, circus barker, auctioneer, and others of their kind are not to be ignored.

We are all possessed of all kinds of motivating instincts and emotions—fear, love, hope, hate, pride, ambition, preservation of family and self. Our job is to try to discover the ruling passions of men and to direct them to our purposes which are high minded and worthy ones.

No one in all creation can ever bring to your job what you can bring to it. A peculiar combination of forces exist in you that the world will never see again. Are you directing them with the consciousness that with you will die the opportunity that was yours?

We must do the right thing at the right time. I have a classic example.

Ignoring Competition

A partner of Pittsburgh's largest brokerage house had a \$100,000 policy with me. I suggested \$100,000 more. He pulled open a drawer of his desk and threw out a detailed proposal from an excellent company, managed in Pittsburgh by a fellow Princetonian. It was a beautiful job for one who likes to sell life insurance by the ledger sheet idea. I was asked to set the Equitable's figures opposite the figures given me. I took the paper away with me, knowing I was on the spot. You know that most every company has a policy with which they can put the other fellow on the spot just a little bit. To have made the comparison under this particular policy would have been fatal for me. So what? We put the ledger sheet in the file and let it repose there until my prospect had forgotten it. I knew he would not disclose to the other agent that he had given it to me.

In about a month, I called again and

sold him \$150,000 without any reference being made by either of us to the ledger sheet comparison he had asked for. That was eliminating competition by ignoring it. Today the proposal of the other company reposes in my office file—and at least, for once, I did the right thing at the right time.

Lacking the fundamental characteristics of successful people in whatever walks of life they are found leaves you a failure here as it would anywhere. Industry, honesty, sincerity, persistence of the right sort, and all the other attributes of successful people are just as important here as in any other profession and just as well rewarded, if not better.

If we can get the spirit of victory into our work and make it more of an enjoyable game, it will help our morale and improve our results.

I am glad that the American College is not a thing of brick, mortar, and stone, but a kind of spirit university—an institution built into the hearts of its members; a kind of phantom university cemented together by the spirit of its membership.

If we cannot approach our work in a spirit of enthusiasm, we cannot hope to succeed.

In the old testament we read that "where there is no vision the people perish." Do you think that the National association had a vision when they created the American College?

Let the spirit of the American College and its ideals permeate us, and the natural result will be a bigger and better business for each of us, and a bigger and better C. L. U. movement.

Two "Millionaires" Stress Protection for the Family

In contrast with the discussions of tax problems, business insurance and annuities which had occupied most of the time at the Million Dollar Round Table, two round table members emphasized the importance of protection for home and family:

GRANT TAGGART, Cowley, Wyo.: Roger Hull at a recent convention mentioned the fact that while annuity and business insurance have their place, yet out of some 110 billion in force at that time, over one billion was in force to protect the American home. The real sacred purpose for which life insurance is created after all is for the protection of the American home. I am wondering if we have said too little about that. I attended a Lions Club meeting the other evening in Wyoming in a little town. I complimented those men because I felt that I had a right to. There were only about 30 present, but I knew that even in my own company there was a liability involved around that little table something like \$330,000, not counting the life insurance that was placed in other fine companies, taken for a similar nature. Certainly I thought that was a wonderful compliment to those men. Life insurance as a means of protection of the widow and the orphan is after all the primary purpose for which it was created. We must not lose sight of that fact. The smaller producer is looking to us for a lot of inspiration that will help him on and it is very important that we carry back to him that real purpose for which this business was created.

* * *

J. J. COBURN, Detroit: I have only been in the business five years, and just qualified this past year. I have had a slow but good growth. I have gotten my business on going out and really servicing people and trying to qualify myself to service people. I have always been conscious of the value of life insurance when I was in commercial lines. I never sold life insurance; I bought life insurance. I am going after larger cases because I feel that I have trained myself to go after them, but I can't help but think the same way as Grant Taggart, that the vast majority of life insurance is sold to protect the home and the children.

Achievement--

An Increase of \$34,410,379.00 insurance in force during 1934. More than \$14,000,000.00 Increase in Assets and \$5,500,000.00 Increase in Surplus from December 31, 1929, to December 31, 1934.

A substantial Increase registered during the first six months of 1935.

Grown to a half billion dollar Company in 30 years.

Excellence--

The prestige that arises from financial stability and years of fair dealing is enjoyed by each ANICO representative. Practical and attractive selling features open new avenues of business and complete the equipment of the man in the field.

Power--

\$124.58 in Assets for each \$100.00 of liabilities.

\$52,721,865.75 in Assets and \$10,401,100.02 in Surplus on December 31, 1934.

Plans--

Agency Convention announced for 1936.

Extension of agency development in both old and new territories.

Ordinary and Industrial

AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. MOODY, JR., President
SHEARN MOODY, Vice-President

F. B. MARKLE, Vice-President
W. L. MOODY, III, Vice-President

W. J. SHAW, Secretary (In Charge Industrial Agencies)

E. L. ROBERTS, Vice-President (In Charge Ordinary Agencies)

New

NEW interest basis, new rates, new rate book, new policies—and a number of new and effective working plans went into the hands of Fidelity's field on June first. New conditions have been met with new selling tools.

Sharper Tools

These changes offer men in the Fidelity field not only new tools with which to meet modern conditions, but sharper ones as well—Income for Life, Family Income, Family Maintenance and an Adjustment Plan which fits today's economic picture particularly well.

Write for information on Fidelity contracts.

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

PHILADELPHIA

WALTER LEMAR TALBOT, President

Members of the National Association of Life Underwriters

- Congratulations upon the constructive achievement which has shone through every page of your organization's 46-year history.
- Congratulations, too, upon the great increase in membership which has contributed to the success of your past fiscal year.
- It is a matter of especial pride to the Pacific Mutual that throughout the country members of its field force are active on behalf of their Association.
- The Pacific Mutual's own Agency Association, meeting in Des Moines immediately prior to the opening of the National Convention, will carry back to sixty or more agencies, scattered across the land, the splendid inspiration of your sessions.

The **Pacific Mutual Life**
Insurance Company OF CALIFORNIA
FOUNDED 1868
GEORGE I. COCHRAN, PRESIDENT

Home Office—
Los Angeles

Assets—
Over \$205,000,000

Says Prospecting System Depends on Reputation (CONTINUED FROM PAGE 7)

pecting in the fullest sense. But you say that is entirely too general and ask—how do you get your prospects?

I have selected ten of the most recent cases that I have written. It is not my purpose to discuss here the mechanics of the sale or the results that were accomplished. I am outlining how the prospects were secured.

Mr. A.—About four years ago one of the agents in our office insured this man's son. During the interim the boy lost his job and the father was called upon to help pay the premium. In this way I met the father, and while I was arranging the premium on the boy's policy, the father made the statement that many agents had been in to see him about insurance, but that he told them that if he ever did any business, he would do it with me.

Country Club Connection

Mr. B.—This man is the president of one of the large corporations of our city. I knew, as did everybody else, of his position, but that was all. About eight years ago I joined a country club which, like many others, got into financial difficulties. An active member of the board of the club was the general counsel for this corporation. During about two years of rather intensive effort in helping work out the finances of the club, I came to know him very well. It was through him that I secured an introduction to the prospect and also through his help, approximately \$150,000 was placed.

Mr. C.—This prospect was secured through a bit of service to a policyholder of mine who was the employer of Mr. C. I was able to remove a rating on the employer's policy and place an additional contract. During the negotiation this man was present and seemed to be interested in the discussion. I knew nothing about him. After the transaction was over, I approached the employer in regard to the individual and asked him if he would talk to the prospect about his own insurance. The rest was comparatively easy.

Doctor Put to Work

Mr. D.—This man is a doctor in a small city. I had done considerable work for a prominent man in his town, organizing his insurance, straightening out beneficiary clauses, arranging the settlement options and the like. After the job was done, I asked him if there were not some other men of substantial means who would be interested in a like service. He gave me the name of this doctor, and went further by inviting the man to his house for dinner and at some length discussed the type of service he had received.

Mr. E.—This individual is a railroad official. He is a new man in our community. One day at lunch a policyholder of mine pointed him out and said he thought he should be in the market for some life insurance. We discussed the matter of approach and finally a golf game was arranged by my policyholder. No mention of life insurance was made at the time. Several days later an appointment was arranged by means of the telephone.

Mr. F.—This man is an operating official of one of our steel corporations. I had written a great many of his associates. In this particular case I had learned that his company was to reopen one of its plants. Through one of my policyholders, I learned who was to be in charge. The individual mentioned was a stranger to me, but a contact was made through his associates, who were policyholders of mine.

School Teacher Sold

Miss G.—This prospect is a school teacher. I met her at the home of a client while delivering some additional insurance. She listened to the conversation and seemed interested. A few days later I suggested to this policyholder that she might be interested in an annuity. Apparently, some conver-

Sounds Keynote



A. E. PATTERSON, Chicago
Chairman Convention Program Committee

sation had gone on about it after I left. There was no difficulty in approaching her.

Mr. H.—In 1927 I settled an endowment policy of \$1,000 with this man. He owned about \$50,000 additional insurance with other companies but was rated, due to overweight. He was particularly insistent that he was not interested in additional insurance. We offered him the services of our company to see if we could get a standard policy issued or the rate reduced. He was examined and a policy issued at a standard rate, and because of that purchased \$80,000 additional insurance. Two years later he was examined for additional \$200,000, but died before the policy could be placed. I have subsequently placed over \$100,000 in insurance and annuities on his widow and \$6,000 on each of his two daughters; \$17,000 on his brother-in-law; \$12,500 on his sister-in-law; \$10,000 on his brother-in-law's brother; \$1,000 each on the two children of this brother, and there is additional business in the family.

Annuity Buyer Found

Mr. I.—This gentleman is the general manager of a plant in our city. I had written his general superintendent, and learned from him that this prospect was interested in transferring some of his assets to annuities. I requested that he introduce me to this prospect but he declined. He did agree to talk to him about me. Through another source an introduction was arranged. I have sold him 10 different times in the last year and a half. He now calls me up when he has some money to invest.

Mr. J.—This is the proprietor of a small business in our city. We belong to the same lunch club and sit at the same table nearly every day. At one time I had about \$1,000,000 of insurance on the members at that table. Very often they indulged in a bit of kidding about my keeping them broke. This gentleman, for two years, listened to this talk, which was not entirely complimentary, but never joined in the conversation, and it never occurred to me that he was a prospect. One day as we left the table, he asked if he could see me at my office. This was the beginning of a very substantial single premium life annuity transaction.

An intelligent system of prospecting is fundamentally dependent upon the reputation you create among the people with whom you do business. You must have the ability to get the third party to work for you. I sincerely believe that it is impossible to build any substantial business without that requisite. We make very few sales ourselves. If we will take care of our policyholders, they will take care of us.

HILLER'S TALK ON C. L. U.

(CONTINUED FROM PAGE 6)

to say." Of course, using initials on a business card as a means of arousing curiosity may have its drawbacks too. I have found in my travels that some of our less scrupulous competitors are abusing the privilege by using the initials "C. L. U." with the explanation that this means "Certified Life Underwriter." (Who certifies them, I do not know—nor do they). Others go prospecting with the letters "L. I. C." (the well known "Life Insurance Counselor") and one gentleman I met recently showed me his card with the initials "L. I. I. B."—"Licensed Illinois Insurance Broker." We might call all of these a poor substitute for the real thing. C. L. U. carries to the prospect a load of prestige—the substitutes mean nothing. Our designation means a great deal to the insuring public today, and as time goes on it will certainly mean entree to prospective buyers, just as "C. P. A." stands out today.

Added Needs Pointed Out

A C. L. U. should develop a keener prospecting sense which should come as a result of taking the C. L. U. course. I have had it pointed out to me by men who are studying for the examination, that they developed business through taking the course. This was due mostly to having certain needs pointed out which they would otherwise have overlooked. I think that the experience has been with many men taking the C. L. U. review courses that their production increased during the time that they were studying. Most of this increase in production must certainly have been due to more intelligent prospecting.

There should be a marked difference in the quality of the prospects that we are seeking. Having taken all the time to attain the C. L. U. designation, we should work in fields where we might get bigger business. This, of course, has to be done with some judgment behind it. I, personally, am not the type to be working on very large cases exclusively with the hope of closing one of them and starving in between. I may be wrong but I am still anxious to close a small case. I have often said that if I knew where there was a young man, age 17, who wants a \$1,000 policy, payable quarterly, with a note for settlement, I would leave this room immediately and try to close the business. I realize that this type of business leads to bigger business later on. You cannot be in the business very long and analyze men's policies without noticing that a large line of insurance very often has as its beginning a \$1,000 20-payment life policy taken out at the age of 21, when the man took his first job.

Intelligent Prospecting Defined

The term "intelligent prospecting" I think calls for an explanation. In my opinion, a C. L. U. is better equipped to do more intelligent prospecting than other men in the business—certainly in the study course we stress the subject of prospecting in the section on selling life insurance. If, after a man has equipped himself with the confidence that goes with complete knowledge of the business, he cannot develop a list of prospects, then after passing the examinations that man should hold a personal cram course for himself on the subject.

Intelligent prospecting means in my estimation not only the ferreting out of individuals who should buy our insurance but it means making use of the satisfied client for whom I might have done an intelligent job. I, personally, ask such a man to send me to five or ten people with whom he has prestige. A telephone call or a real letter of introduction from such a person enables me to carry on prospecting in a fairly successful manner—a man is always willing to send a person elsewhere so that the other fellow can receive the

same dose of whatever he took. Isn't it true that a married man always tells the single fellow that he ought to get married? (Whether he enjoys married life or not—he says it.)

Seek Out More Candidates

While I am on the subject of wives, I might add that I am continually incurring the disfavor of mine because I am prospecting when we are at social functions. She tells me that when I am introduced to a stranger, he hasn't a chance with me unless he looks prosperous and insurable. That, of course, is carrying prospecting a bit too far, but a man must learn to see a prospect at every turn of the road in order to take advantage of his opportunities.

There is one phase of my subject that I must not overlook. Prospecting from a C. L. U. standpoint also takes in the subject of seeking out more candidates for the C. L. U. movement. The problem before all of us, in both the big cities and the small ones, is to find new material to enlarge the ranks of the C. L. U. All of us certainly must strive along these lines.

PROGRESSIVE STRONG

Write if interested in a
Permanent Connection

NORTH AMERICAN LIFE INSURANCE COMPANY



E. S. ASHBROOK
President

PAUL McNAMARA
Vice-President

John H. McNamara
Founder

North American Building, Chicago, Illinois



Supreme Confidence

The supreme confidence in which life insurance is held by the American people has no counterpart in history. The words "Life Insurance" have become a synonym for "Security". Never before have the people so unanimously chosen one single sanctuary for their own financial independence and assurance of economic welfare for their loved ones. This confidence has been justified by the incomparable record of the life insurance companies.

The officers of the Peoples Life Insurance Company devote their entire time and attention to its business. The organization has been held intact through the grueling experiences of the past few years and is today better equipped to serve intelligently the best interests of policyholder and agent. The record and financial statement of the company speak for themselves.

If you are interested in life insurance, as agent or policyholder, you will find it pays to be friendly with the

PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

FRANKFORT

INDIANA

Our consistent monthly and yearly gains in issued business are proof that we are progressing rapidly and that our agencies are prospering.

**BANKERS LIFE
INSURANCE COMPANY
of NEBRASKA**
Since 1887 Lincoln

You Want » » More than a Contract

- a sound company
- low cost insurance
- liberal commissions
- unrestricted territory

Agents of **Gardian Life**
Insurance Company
enjoy these features to fullest
possible extent.

For information, write
Director New Business
Home Office, Madison, Wis.

Endowment of Half a Million Desired

(CONTINUED FROM PAGE 6)

during which their contracts broadened, their financial standing became strengthened, and the laws for protection of companies and policyholders were improved. The ideals, traditions and demonstrated principles of these older companies constituted the basis upon which the later ones were founded and have gradually evolved into the permanent framework of an institution which has become an integral part of American life, directly reaching 63 million citizens and indirectly touching and benefiting practically our entire population.

American Institution

Through wars, depressions, panics, booms, epidemics and major disasters of all kinds life insurance has gone on, emerging from each greater in public confidence. The increases in assets of life insurance companies in this country from about 17½ billions of dollars in 1929 to nearly 22 billions in 1934 is striking evidence of this, although perhaps even more significant, as indicating the important part played in meeting the hardships of the depression, is the average 2.7 billions of dollars paid or credited annually to policyholders and beneficiaries. This has served to protect and preserve many families, tide over numerous emergencies, and stabilize social and economic conditions throughout the lean years. In a sense, life insurance may be regarded as peculiarly an American institution, since approximately 70 per cent of all the legal reserve life insurance in the world is written on citizens of the United States, and approximately 75 per cent on citizens of the United States and Canada together.

Greater Skill Needed

After a major institution has passed through the pioneering stages and demonstrated its ability to satisfy basic human needs, various characteristics of a promotional era which were good in their times are found no longer necessary. Leaders recognize the necessity for solidifying the gains which have been made and of refining the quality of the service. They know that the public becomes acquainted with certain of the elementary principles in time and that their activities need no longer be focused solely upon such elements but should be directed in part at least to

many of the more complex problems which have evolved.

During the period since the war, life insurance has advanced. No longer is it confined to providing mere funeral benefits or a small sum for the widow, but is thought of today in terms of scientific estate administration, guaranteed income for wives, educational plans for children, investment programs, inheritance and estate taxation problems, insurance trusts, business credit, partnership and close corporation liquidation, key man indemnity, and other fundamental economic and social ends. These newer uses involve greater skill on the part of today's underwriter. Otherwise, he is not in a position either to see the numerous needs which life insurance can meet or to make the specific individual adaptation which complex cases necessitate. It is not essential that all underwriters be educated for the purpose of rendering these more technical services, especially as there are great masses of prospects who need life insurance but whose financial status is such that the plan on which they can afford to buy it is relatively simple. Training of the underwriters who reach such great groups of prospects should obviously be adequate so that they render the best and most efficient service but it need not be so extensive as that of the underwriter who is reaching the professional or business classes with ambitious and far-reaching programs to meet involved family and financial situations.

Honorable Record Cited

The National Association of Life Underwriters has always striven to improve underwriting methods. It has a long and honorable record of public service. Part of its program has been of an educational character, the establishment of a code of ethics, and development of a better understanding with respect to the desirability of co-operation in order that agents might work together rather than compete. Successful underwriters have always been willing to share their information and techniques. It was but natural therefore that leaders in the National association should recognize the significant trends in the progress of life insurance and should sponsor the organization of the American College of Life Underwriters, chartered in 1927.

The American College has set for itself certain goals which, through the good work of those who pursue its announced educational program, will prove tremendously valuable in broadening out still further the manifold uses to which life insurance may be

On Hand from National Headquarters



Left to right—Wilfrid E. Jones, associate editor "Association News"; Roger B. Hall, managing director National association; M. L. Hoffman, assistant managing director.

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adapted in meeting the serious problems of a complex civilization. It will help the institution of life insurance to assume an even more prominent role in our scheme of living and will continue to grow with the institution itself, of which it has become a vital and integral part. It has already tended to improve agency methods and the distribution of life insurance. Those underwriters who obtain the C. L. U. designation are entering into a more responsible and permanent phase of their relationship with the companies they represent.

Knowledge Increases Production

The underwriters who have the incentive to prepare for and take the examinations have decided that their permanent vocation is to be life underwriting. Through the added education represented by the C. L. U. program they have become better qualified to serve the public. They have also demonstrated that the broader knowledge thus acquired substantially increases their production.

The first C. L. U. diplomas were awarded seven years ago to 21 underwriters. Today there are more than seven times that many underwriters eligible to receive their designation. The group of 21 who completed their examinations in 1928 has been increased fifty-fold so that now 1,089 men and women have passed the entire series of C. L. U. examinations administered by the college.

American College Inevitable

The creation of the American College of Life Underwriters or some other similar institution to establish and perpetuate professional standards in life underwriting was inevitable. All the other main divisions of the institution of life insurance have benefited from the ideals and principles associated with professional training.

Those of us who are engaged in managerial or personal production activities are prone to believe that the field forces constitute the outstanding major division of life insurance. We

know that life insurance is sold and not bought. We also know that no matter how well managed a home office may be, it must depend upon the risks submitted by its men in the field for existence. This important division should ultimately receive the benefit of scientific methods and professional standards just so far as they are applicable.

Problem of Conservation

Two of the biggest problems confronting the institution today are the conservation of business and the conservation of man power. All of us are more or less generally familiar with the high degree of lapsation in the life insurance sold as well as the high turnover among life insurance company representatives. Improvement along either one of these lines would benefit permanent life underwriters and companies as well as the insuring public. It is not my disposition to argue for any of the various plans which have been submitted in late years to cure these evils. But the work of the American College of Life Underwriters has such an important bearing upon them that I would like to call certain aspects of it to your attention.

Even though the college has been operating but seven years, its activities are well known to officials of all the

leading collegiate schools of business. They have communicated its aims and ideals to the students with whom they come into contact with the result that men of the highest caliber are more and more being attracted by the opportunities for professional service in life underwriting. It is of particular interest to note that many of the young men who have attended such institutions and majored in the subjects leading to the C. L. U. examinations have passed their examinations soon after graduation from their college or university and have become producers of note at a comparatively young age. The more ambitious, able and energetic persons of older age who come into life underwriting from some other vocation are feeling the same compelling pull of the C. L. U. ideals.

Great Persistency Record

Underwriters who have followed a systematic and thorough plan of preparation for their C. L. U. examinations and who have eventually passed them show a remarkable persistency record in life insurance. Of the 1,089 who have thus far received credit for completing all examinations, probably less than 1 per cent have left this vocation other than by death or disability. The agency forces as a whole may be in a state of

flux, but this portion of them at least can be regarded as permanent.

Increased volume and decreased lapsation are characteristic of the production records for those who have thus far completed the C. L. U. examinations. These underwriters have demonstrated that although a little learning may be a dangerous thing, a broad knowledge benefiteth much in many ways. As time goes on they will obtain a larger and larger share of the so-called class business. The comprehensive insurance programs, the business insurance cases, the complicated taxation problems, the insurance trusts and the estate analyses will be theirs to handle.

Firm Financial Basis

The American College, having proven its worth, needs to be placed on a sound and permanent financial basis so that the necessary functions may be promptly and efficiently performed, and the officers of the college may have greater time to devote to major policies and further widening of its beneficial influences rather than to matters of routine operation. To do this, the college should have a fixed income of at least \$20,000 a year in addition to its revenue from fees. To obtain an income of this amount would necessitate

CHECK!

- ✓ Why boast about attractive agency contracts?
Every successful, alert company has them.
- ✓ Why ballyhoo over a collection of unique policies?
Every aggressive, properly equipped company has them.
- ✓ Why brag about up-to-date sales plans and material?
Every efficiently managed company has them.

—Then wherein lies the difference between companies?

It lies in Character, Personality, and Ideals!

- YOU want a company that recognizes you as an important factor in its organization.
- YOU want to feel that you are a respected, personally-known member of a live and pulsating human force—not a number in a machine.
- YOU want a warm spirit of friendliness and good-fellowship throughout the organization of which you are a part.
- YOU want, in a word, to be a man among men and enjoy individuality and life—not to be allowed to feel small, unrecognized, ignored.

Why not give a thought to the

AMERICAN CENTRAL LIFE INSURANCE COMPANY
Established 1899 * * * * * Indianapolis

"GUARANTEED BENEFITS—GUARANTEED LOW COST"

National Chapter C. L. U. Holds Forth

(CONTINUED FROM PAGE 6)

Secretary, Dr. David McCahan. The directors are: G. B. Dorr, Northwestern Mutual, New York; C. J. Zimmerman, Connecticut Mutual, Newark; A. F. Haas, Mutual Life of New York, Pittsburgh; M. R. Orr, Massachusetts Mutual, Philadelphia; G. J. Brown, Equitable of Iowa, Lafayette, Ind.; Frederick Bruchholz, New York Life, Chicago; Kellogg Van Winkle, Equitable of New York, Los Angeles; Gerald Whitaker, Travelers, Oakland, Cal.; H. L. Choate, Mutual Benefit, Washington, D. C.; H. G. Hewitt, Northwestern National, Houston; E. W. Brailey, New England Mutual, Cleveland; G. E. Lackey, Massachusetts Mutual, Detroit, and Paul F. Clark.

Maurice C. Cohill, special agent in the Edward A. Woods agency of Pittsburgh, in his address following the C. L. U. dinner, pointed up with a naval analogy his theory that it is the application of the knowledge acquired by a C. L. U. rather than the knowledge itself that brings results. Mr. Cohill was an officer in the navy. He said that the complex naval organization exists for only one purpose—to hit the mark when a projectile is fired. Similarly, he said the American College has but one purpose and that is to help the agents get a name on the dotted line.

Mr. Cohill interjected a warning against permitting pure logic and an academic spirit to displace "decent emotionalism." The psychology of salesmanship cannot be overlooked and there is much to be learned from the methods of the old patent medicine vendor, circus barker, auctioneer, etc.

Mr. Cohill presented the conception of the American College as a spirit university, rather than an institution of brick, mortar and stone.

an endowment of \$500,000. The Edward A. Woods foundation now has about \$50,000 in its fund so that we would have to raise an additional \$450,000 to produce the permanent income which is needed. If this income were available to take care of the college's fixed charges, the receipts from registration and examination fees could be used exclusively for the supervision of examinations, the grading of papers, and the development of a field educational service to assist teachers and study group leaders throughout the country in setting up the very best type of instructional facilities for underwriters wishing to study along C. L. U. lines.

It does not seem unreasonable to ask the institution of life insurance through its various companies, general agents and managers, and holders of the C. L. U. designation to raise a sum such as \$500,000. The benefits which our field forces would derive from this would be so immeasurably greater than the amount of money involved that it should not be an insuperable task, with the cooperation of all these forces in the institution, to obtain an endowment adequate for placing the American College on a sound permanent basis which will serve not only the interests of the companies and their field forces, but also the insuring public.

Reward Is Earned

You, who are to receive your C. L. U. diplomas here today, may well feel proud. You have joined a growing group of men who have had the vision and courage to make a sacrifice of time and energy to prepare themselves for passing very difficult examinations. By

dint of your effort and sacrifice, you have earned for yourself a reward which stands high in the life underwriting world. But with all appreciation of the honor which is yours, may I urge that you think not today, or in your underwriting activities, of the glory which attends a well earned recognition, but rather of the responsibilities which must necessarily accompany it in these formative years.

The standards which have been set by the American College are purposely high. They were deliberately placed on a parity with the best standards of other recognized professions, such as law and accounting. Their influence will be felt accordingly throughout the whole institution of life insurance. It is to be expected that many life underwriters, who otherwise would not have felt the impulse to develop by education and training their latent talents, will be stimulated by your achievement to make more out of their lives. Even if they should not ultimately obtain the C. L. U. designation, they will be better underwriters because of the ideals and influences which have permeated through the whole institution as the result of the C. L. U. movement.

Good Work Habits

The responsibilities which attainment of the C. L. U. designation places upon you should constitute a real challenge. The C. L. U. in a community may give to life underwriting a high professional tone and merit the respect of the life underwriting fraternity and the general public, or they may, through failure to recognize the duties associated with professional standing, ac-

tually injure the cause of sound life underwriting and the more extensive use of life insurance by the public. The C. L. U. can not therefore be a law unto himself in his ethical conduct, his standards of service and his relations with other underwriters. Furthermore, please remember that the average policy is still small and that men who are successful even though they have obtained the C. L. U. designation, write policies on a large number of lives, showing that they continue to maintain good work habits.

As your numbers continue to increase, you will have a greater influence for good upon your fellow agents, your companies and the institution as a whole. I know you will take your responsibility seriously. Through your local life underwriters association, and through the local C. L. U. chapters, you who have completed the C. L. U. program are in a position to exercise a powerful stimulus for the improvement of conditions in life underwriting. I hope that everyone of you will affiliate yourself with these organizations and become an active participant in their affairs. This is a day when co-operation is essential to the most substantial progress.

Do not become intolerant of the underwriters who for one reason or another have not obtained the C. L. U. designation. Encourage and assist them. Many of them have rendered a distinct and valuable service of a constructive nature to life underwriting in a stage of its evolution which may not have the same characteristics as our present stage but which nevertheless called for courage, determination, in-

tiative and intelligence. By a broad tolerant and liberal attitude in your daily endeavors, you will help to improve the quality and character of life underwriting as well as the public understanding of life insurance and the many human needs which it will meet. Most of you have been in the field for many years and have gained wide experience. In that respect you differ from the young men just graduating from college and who are going out into the world to try and find their way. You have found your way and are only improving your position and usefulness in doing which you will help to improve your fellow-agents, the standing of your companies and the institution. Yours is a sacred trust and I am sure you will help hold it high.

H. W. Manning from Winnipeg

H. W. Manning, assistant general manager of the Great West Life of Winnipeg, came to the convention principally to attend the meeting of the executive committee of the Sales Research Bureau Tuesday evening. The company was also represented by Toronto Manager Henry Baker.

Luncheon for the Press

Due to the reputation of the newspaper men as late risers, what was in former years a breakfast for the press, this year was a luncheon on Tuesday. Wilfred E. Jones of the National Association headquarters, who is in charge of keeping the journalists happy, states that never before have there been so many newspaper men at a national convention.

Greetings from NEBRASKA to the 46th Annual Convention of the National Association of Life Underwriters

LINCOLN LIBERTY LIFE INSURANCE COMPANY

FINANCIAL INDEPENDENCE ASSURED

Through the Company's

1935 "New Deal Contract"

Write JOS. ALBIN, Sec'y and Gen. Mgr.
LINCOLN, NEBRASKA

THE SECURITY MUTUAL LIFE INSURANCE COMPANY

of

LINCOLN, NEBRASKA

assembled at

DES MOINES

The Life Insurance companies shown here whose Home Offices are located in the neighboring state of Nebraska join with the entire insurance fraternity of the middle-west in welcoming Life Underwriters to Des Moines. Because of you Life Insurance as an Institution occupies its enviable niche today.

Greetings to all Life Underwriters assembled at Des Moines from this thoroughly American Company—American in name, spirit and business methods.

American States Life Insurance Company
612 SHARP BLDG. LINCOLN, NEB.



Smart Hoax Staged By C. V. Anderson

(CONTINUED FROM PAGE 4)

man's income are investments or salary. When the salary is gone, the only system to replace it is life insurance.

Offers an Apology

In talking to a friend, with \$10,000 life insurance, Mr. Anderson said that he wanted to apologize for the way in which he had left this man's insurance. "I am afraid that if your wife receives this \$5,000 she will regard it as income, and go ahead and spend it. I want to see that she lives on her income." He then pointed out that an income of \$80 could be provided for a little over 11 years, which the friend said would not be enough. Mr. Anderson then said that \$100 could be provided for 10 years and four months, and the friend said she might be able to get by on that. "If you would add another \$5,000," Mr. Anderson told him, "that could be increased to 18 years and one month, and another \$5,000 would make it 29 years and 11 months. With twice as much insurance as you have now, she would have three times as much protection as she has now. If she lives to be 65, without some such arrangement, she will be in the same position that your mother-in-law is today."

He also cited another case where a similar program had been arranged for another friend on the basis of much the same arguments.

"That plan is all right for a man you know," interjected one of the attendants at the seminar, "but how about a stranger."

Friendly Spinster

Mr. Anderson said that that was primarily a question of prospecting. "The best way to sell income insurance," he added, "is to buy it yourself. Furthermore, don't sell income insurance per se. Talk about his wife and kids and the things he wants to do for them. Or it may be his mother, or possibly his sister that he wants to have provided with a suitable income. It's much nicer to have a friendly spinster than a nuisance around the house."

Mr. Anderson then told of a claim he had settled recently where a man's insurance estate had been built up through successive sales starting with 1916, largely on the income argument. In all, he had paid in \$16,049 and the total amount payable to his beneficiary was \$45,357, providing an income of \$259.90 a month, aside from the excess interest factor. He said that it is entirely proper to show the beneficiary or other policyholders just what life insurance has done. The real estate man or bond dealer tells people how much money he has made them, even if it is only a few dollars on some particular deal, and the life insurance man certainly has a right to tell what the protection he offers has done.

Better Than Annuity

Replying to a question as to a case where a man of 47, who has lots of insurance, wants to buy an annuity to provide him an income at 55, Mr. Anderson said that the options on the old contract in most cases will do more for him than any annuity.

Another inquirer asked his reaction to the idea of leaving a portion of the proceeds with the company at interest, to provide for possible future contingencies. Mr. Anderson said it was an excellent idea and takes care of a lot of possibilities.

Another question was asked as to the desirability of providing an income for the school period, to enable carrying the children on through high school at any rate, for the prospect whose income is rather limited. Mr. Anderson endorsed the idea. He is not in favor, however, of the educational policy, which he said is often used to the detriment of the family, provision is made in many cases to educate a boy that hasn't the capacity for

going to college. He told of a case in Cincinnati where the wife was left \$3,000 with \$7,000 to each of the children.

Spendthrift Clause

The question was raised as to whether the spendthrift clause should be included in all income options. Mr. Anderson said that it is primarily a question of law. Some companies are now including it automatically and some states require it. He held that it depends largely on the circumstances of the case. One of his hearers suggested that it doesn't hurt the beneficiary. Mr. Anderson said that is true but it might act as a boomerang in the matter of legislation on the ground that it is protecting people who ought to have to pay their bills.

On the big pad of paper, which he had been using throughout his talk to illustrate various points, Mr. Anderson drew a chart showing that while a man's income ability should show a steady increase from age 25 up to 55, his wife's earning ability goes downward in reverse proportions. The former teacher who tries to go back into the school room after 12 years as a housewife, is under an immense handicap. Few of them can come back after being out for five years. The department stores prefer to employ young girls who can build up and keep a clientele. In the office, the older woman, whose fingers are stiff and whose mind is on other things, has a much smaller chance to make good. A man owes just as much to his wife at 55 as at 25 and should make provision for her at that age. He cited figures from the New York courts to the effect that 87 percent of the men dying in the United States leave nothing but life insurance and said that it is up to the man in the field to see that it does the job.

Covering Amount of Loan

The question was asked, in connection with a discussion of loaned policies, resulting in a decrease in the income, whether new insurance should be written to cover the amount of the loan, using the proceeds at the insured's death to pay off the loan and keep the income on the original basis. Mr. Anderson said the idea is all right if the company will permit it, but that some will not. It was suggested from the floor that the same result could be obtained by writing new income policies, but Mr. Anderson said that the options in present day policies are in general not as good as in the old ones.

Another question was how to handle the case of a single man with a large amount of insurance who wants to arrange an income program. Mr. Anderson's advice was to talk old age income, unless the man has considerable property coming to him. He also suggested that the man might want to arrange for an income to go to some relatives, to his college, church, Y. M. C. A. or some similar institution.

Baseball Broadcasts Vie With Seminar Sessions

By ROBERT L. ROSE

In addition to the four regularly scheduled seminars Wednesday afternoon, a fifth session was being held around the radio in the main lobby of the hotel where broadcasts of baseball games of both the Chicago Cubs and St. Louis Cardinals were being received. More interest was given to the Cub game due to the fact that they are leading the National League by such a close margin. At the end of the Cub game each day the dial is turned to some station broadcasting the St. Louis Cardinal game. The Chicago team is engaged in a crucial series with the third place New York Giants and St. Louis is fighting the Brooklyn Dodgers to keep their close range to the Cubs. With so much interest being manifested in these National League contenders, and the national game, it seems that the special main lobby sports session will be carried on until the close of the convention.

Much Inspiration In Short Session

(CONTINUED FROM PAGE 3)

convention program—John R. Todd of the New York engineering firm that was in charge of the construction of Rockefeller Center. He had a profound message that was followed closely.

Registration Now 1,635

Early Wednesday morning registrations had reached 1,635.

James A. Preston, who just recently joined the home office of the Columbus Mutual, was at the press table Thursday morning, being the man assigned to prepare the notes on the day's proceedings for insertion in the program booklet.

The invocation Thursday was given by Rabbi Eugene Mannheimer of the Temple B'Nai Jeshurun.

Then after some singing, patriotic and otherwise, Dr. S. S. Huebner was introduced to take charge of the conferment exercises. At that moment several of the leaders in the American College entered and took seats on the platform. They were W. M. Duff, Pittsburgh; J. Stanley Edwards, Denver; George E. Lackey, Detroit; John Newton Russell, Los Angeles; Paul F. Clark, Boston; E. J. Clark, Baltimore, and Julian S. Myrick, New York, and John M. Holcombe, Jr., Hartford.

Prospecting Clinic Successful

The prospecting clinic was a decided success. Each of the three speakers spoke to the point, offered practical suggestions and they were attentively heeded.

C. Preston Dawson, production manager for the New England Mutual Life in New York City, led off. He said the old definition of a prospect as one who has need for insurance, has the ability to buy and one who can be approached, holds the secret, if its significance is studied. He warned against seeking some prospecting method that possesses magic and automatically brings success. There are only five basic methods of prospecting, he said, and the agent must win or lose by employing one or more of those methods. They are the natural contact method, leading question method, qualify list method, system of securing lists of qualified names without introduction and finally cold canvass or the securing of unqualified names without introduction. The agent, he said, is most effective when he employs one or more of the first three methods.

Insurance selling, he contended, is easy when the agent is dealing with good prospects and, accordingly, prospecting deserves a reasonable portion of time, prospecting technique deserves a reasonable amount of study. He urged his listeners to engage in a prospecting campaign when they return home.

Described Workable Methods

Charles E. Hodgman of the Mutual Benefit Life in Detroit described the various prospecting methods that he has employed as he has progressed in the business. In recent years his principal source of new names has been through mixing with friends, calling on policyholders, noting their business contacts, their friends, etc., securing the names of these friends and at a judicious time calling on them. Much of his business comes as a result of calls on policyholders, not only through additional sales to them, but through leads given by policyholders. The principal value in his plan, he said, has been its definiteness. It is important to have some prospecting plan that the agent will work, rather than a theoretically better plan that is not actually applied.

L. A. Spencer of the Equitable Life of New York in Youngstown, Ohio, analyzed 10 of his recent sales to suggest the key to his prospecting system. His conclusion was that an intelligent system is dependent upon the reputation that the agent creates among the people

with whom he does business. The agent must have the ability to get the third party to work for him.

It is easy to amass a number of names, he pointed out, but the difficulty is in qualifying those names as prospects.

Harry T. Wright, the seemingly care-free and jolly million dollar producer for the Equitable Life of New York in Chicago, who on Tuesday was elected head of the Million Dollar Round Table, told what makes a million dollar producer. Determination he put at the head of the list. The million dollar man is heavily insured; he gets more fun from his job than from any other activity, he radiates success; he works two or three times as hard as the \$200,000 man. He expressed the belief a man cannot become a consistent million dollar producer until he has been in the business several years, until he has built the foundation of a substantial clientele.

The million dollar man is concerned with keeping his people substantially insured. He doesn't waste time giving the public courses in the technical and actuarial aspects of insurance.

Myrick Tells Endowment Plan

Julian S. Myrick, New York manager for the Mutual Life of New York, in his address at the conferment exercises of the American College, proposed an endowment of half a million dollars to place the American College on a sound and permanent financial basis. There is already available \$50,000 from the Edward A. Woods foundation so that an additional \$450,000 will have to be raised. He contended that the benefits would be immense through the further widening of the influences of the institution.

Mr. Myrick declared that since the war there have been great refinements in the need for life insurance and the C. L. U. movement has enabled the field force to keep pace with the professionalization of the business. Insurance today, he said, is thought of in terms of scientific estate administration, guaranteed income, educational plans, investment program, inheritance and estate taxation problems, insurance trusts, business credit, partnership and close corporation liquidation and key men indemnity.

These newer uses of life insurance require greater skill on the part of the agent and the C. L. U. movement enables the producer to acquire that skill. Mr. Myrick dwelt at some length on the responsibilities of the C. L. U.

C. L. U. Progress Reviewed

In opening the conferment of the American College, Dr. S. S. Huebner, president, said these exercises mark the conclusion of another year of progress in the C. L. U. movement. The number of candidates taking examinations this year at 67 universities and colleges numbered 817 as compared with 688 in 1934, 663 in 1933, 632 in 1932, 521 in 1931, 235 in 1930, 114 in 1929, and 66 in 1928. They hailed from 178 cities in 37 states, and represented 80 different life insurance companies. All except 57 took the examinations this year on the installment plan, thus showing that the C. L. U. movement has practically been brought to the desired goal of having candidates pursue their course of study over a period of years on the installment basis.

Candidates numbering 185 completed all of the five examinations this year and 147 of these, having also completed the required three years of satisfactory experience, are entitled to the C. L. U. designation. The number of outstanding Chartered Life Underwriters is thus brought to 990. Seventy-seven more have completed all of the examinations, but still have certain other requirements to fulfill.

In all nearly 2,100 have either completed the program or are on the way to the desired goal.

He said the 1,000 mark will be passed next year and 5,000 is not many years off.

Only Contest As To Officers On Trustees

(CONTINUED FROM PAGE 3)

ney Shields, president of the Dallas association; A. Walton Litz of Nashville, president of the Tennessee association; O. P. Schnabel of San Antonio, immediate past president of the Texas association; O. Sam Cummings of Dallas, national trustee, and Dave Bintliff, president of the Houston association.

Separate Sheep from Goats

Elaborate preparations had been made at the beginning of the session to separate the sheep from the goats and make certain that only those who were entitled to votes in the council be allowed in the front section of the hall, all spectators being required to stay behind a rope that was stretched across about two-thirds of the way back. Before the balloting started C. Vivian Anderson was designated as sergeant-at-arms to see that all those who did not belong within the sacred precincts remained back of the ropes.

In the balloting itself, the members of the council were required to file up to the front and have their right to vote checked against the official roster before they were allowed to deposit their ballots. This necessarily slowed up the proceedings and it took more than half an hour for the procession to make its way past the platform and get the members back into their seats. The elections committee, headed by John A. Witherspoon of Nashville, then took charge of the ballot box and proceeded with the counting of the ballots.

Boston Gets 121 Votes

While the counting was in progress, the preliminaries in connection with the election of officers was gotten out of the way. All other proceedings were suspended when the committee announced that it was ready to report. The report stated that 175 votes had been cast out of a possible 325, and that Boston had received 121 votes. Before the vote for Houston could be announced, Mr. Cassidy jumped to the platform and moved that the selection of Boston be made unanimous, which was carried with a whoop. Mr. Clark then took the platform to thank the Texans for this courtesy and to compliment them for the fairness with which the fight had been carried on.

The trustees, of course, have the final say on the convention city but in view of the heavy vote received by Boston, there is very little possibility that the recommendation of the council will be overturned.

Before the selection of the 1936 meeting place was taken up, invitations were received for conventions at later dates. Isadore Samuels of Denver said that last year his city extended a general invitation for some future date, but now specifically invites the National association to hold its 1937 convention in "Cool Colorado," which brought forth a burst of cheers from the crowd. He said there is a natural air conditioning system in that country, which never fails to work.

Arthur Miller of St. Louis and C. J. Frisbie of Seattle extended invitations for 1938 and Archie C. Haney of Duluth presented an invitation of that city for some future date.

Nominating Committee Reports

Before calling on the nominating committee for its report, President Riehle called attention to the provision of the by-laws in regard to the nomination of officers, under which the nominating committee submits but one name for each of the major offices but is required to present not less than seven or more than nine nominations for trustees, from which the council shall select six to be reported to the convention. C. C. Day of Oklahoma City, chairman of the nominating committee, said that it was suggesting only the minimum number of recommendations for trustees, seven, and

then announced its slate as follows:

For president, Lester O. Schriver; vice-president, A. E. Patterson; secretary, O. Sam Cummings; treasurer, Robert L. Jones; trustees, Ernest A. Crane, Charles J. Zimmerman, Frank B. Summers, Philip G. Young, John A. Witherspoon, Ernest W. Owen and C. Vivian Anderson. He explained that to avoid any possible advantage in connection with their position on the ballot, the names of the candidates for trustees had been put in a hat and drawn out to determine the order in which they should appear.

Special Election Committee Named

It was voted that the six receiving the largest number of votes should be the ones recommended by the council. Because of the fact that the name of John A. Witherspoon, chairman of the elections committee, was on the ballot, President Riehle first appointed Alvin Moser of Milwaukee, a member of the committee, as chairman for the purpose of counting this vote, but found that the entire committee was still engaged in counting the ballots on the convention city and therefore named a special election committee to conduct this count, composed of J. Stanley Edwards, Denver, chairman; Earl Colborn, Rochester, N. Y., and W. M. Furey, Pittsburgh.

Because of the certainty that it would take a considerable length of time to complete the count, the crowd began to disperse. President Riehle announced that under the by-laws at least 25 members of the council must be on hand to receive the report and delegated C. C. Gilman of Boston to see to it that that number was kept in the hall.

Owens' Elimination a Surprise

The fact that Ernest W. Owen, Detroit general agent of the Sun Life of Canada and long one of the wheel horses of the National association, received the lowest vote of any of the seven men proposed by the nominating committee and was therefore eliminated from the slate, came as a decided surprise. Mr. Owen has for many years been one of the most active workers in association affairs, has served twice as National association secretary, and has been chairman of the international council for the past year. His reelection as trustee had therefore been regarded as practically a foregone conclusion.

Messrs. Crane, Zimmerman, Witherspoon and Anderson, who were among the successful candidates, are all well known as National association leaders. Two of the newer members of the board of trustees, Messrs. Summers and Young, have been active in their local or state organizations and had strong backing from their respective sections, but have not been particularly active in National association affairs. Mr. Summers is president of the Nebraska association and is well known through the central west. Mr. Young replaces Clarence Peterson of San Francisco as the representative of the Pacific southwest.

NEXT YEAR'S OUTLOOK

Now that the 1935-'36 setup of the National association is fixed, those who follow closely the affairs of the organization are starting to look to the possibilities next year. A. E. Patterson will be advanced to the presidency. That much is certain. The interest, therefore, will center in the election of a vice-president.

Three possibilities loom: O. Sam Cummings, Kansas City Life, Dallas; Chester O. Fischer, Massachusetts Mutual, St. Louis, and Holgar J. Johnson, Penn Mutual, Pittsburgh. There will undoubtedly be a strong campaign in behalf of Mr. Cummings. He has been one of the most faithful workers in association affairs and has for years been one of the leaders. That there will be opposition to his election, however, is certain, but that opposition will be based on issues entirely unrelated to his personal ability and characteristics. Perhaps in a year the basis for any objection will disappear.

Chester Fischer has been coming rapidly to the front. He is seasoned, but young, has a personality that can't be denied and is a useful leader in any spot. About the only factor that is being cited in objection to his election as vice-president next year is his domicile. He is cursed with a midwest location. With the present president and vice-president from the midwest, next year may not be the proper time to advance Mr. Fischer. However, his time will come.

Holgar Johnson is also destined to be a president some day according to observers. He is a forceful young man, who has had nearly all the National association posts except the top one and he is a horse for work. Geographically he is suited for election as vice-president next year and as president in 1937. However, his company affiliation may be a drawback. If he were elected vice-president, it would mean that the two chief executives would be Penn Mutual men and that would be, perhaps, too much even for Frank H. Davis to ask.

List of Eligibles

Of the new trustees this year and the ones who hold over until next, the following have not served as president of the National association:

Mr. Fischer, Mr. Johnson, E. R. Gray, Prudential, Des Moines; Horace Mecklem, New England Mutual, Portland, Ore.; E. A. Crane, Northwestern Mutual, Indianapolis; C. J. Zimmerman, Connecticut Mutual, Newark; F. B. Summers, New York Life, Omaha; P. G. Young, Metropolitan, San Francisco.

From among that number the vice-president must be chosen. Outside of Messrs. Johnson, Cummings (a trustee by reason of being secretary) and Fischer, the only other trustees who, off hand, would seem eligible for consideration next year by reason of their prominence and continued activity in National association affairs are Mr. Mecklem and Mr. Crane.

Personnel of Committees to Raise Funds Given

The personnel of the four committees that have been appointed to raise funds to create a foundation for the benefit of the American College of Life Underwriters has now been announced.

The committee in charge of life insurance company contributions is: Julia S. Myrick, Mutual Life, New York City, chairman; Paul F. Clark, John Hancock, Boston, and John Marshall Holcomb, Sales research Bureau.

Annual contributions from C. L. U. and other friends: Grant L. Hill, Northwestern Mutual, chairman; E. W. Bralley, New England Mutual, Cleveland; Fred L. Cassidy, Prudential, Seattle; Frank C. Hughes, A. J. Johannes, Northwestern Mutual, Chicago; Thos. M. Riehle, Equitable, New York City; Lawrence C. Woods, Jr., Equitable, N. Y., Pittsburgh.

Support from members of the National Association of Life Underwriters: William M. Duff, Equitable of N. Y., Pittsburgh, chairman; George E. Lackey, Massachusetts Mutual, Detroit; John Newton Russell, Pacific Mutual, Los Angeles.

Bequests, life insurance policies and special endowments: Dr. John A. Stevenson, Penn Mutual, Philadelphia, chairman; Franklin W. Ganse, Boston; Dr. David McCahan, Dean American College.

Why Money Is Needed

The directors state that the principal lines in which the college needs to expand its activities, and for which additional funds will be needed, are (1) the early promotion of interest in the C. L. U. program throughout many smaller communities where little progress has yet been made, (2) the development of adequate educational facilities in many parts of the country for the efficient

MEASURED
by any standard the
GUARANTY LIFE OF IOWA
ranks high

We bid the National Association of Life Underwriters a warm welcome to Iowa, the tall corn state.

LEE J. DOUGHERTY, PRESIDENT AND GEN'L MGR.

GUARANTY LIFE
INSURANCE COMPANY

Davenport, Iowa

education along C. L. U. lines of numerous established agents who have satisfactorily completed their agency training courses and for whom the means of more advanced study which would materially increase the quantity and quality of their production are not now available, (3) the preparation of needed textbooks for life underwriters and agency management personnel which will be of constructive assistance in meeting many of the complex problems to which changing conditions give rise, and (4) the expansion of the college staff to handle the ever-increasing volume of activities and to permit of more frequent personal contacts between the college office and the various interested groups of underwriters, as well as the numerous educational centers which are, or will be providing instruction for them.

Taxation Seminar Popular Feature; Seefurth in Charge (CONTINUED FROM PAGE 5)

when the policy matures as a claim. The only taxable transfer, therefore, is that to the trustee on which a gift tax must be paid. There is no further transfer tax until the proceeds are actually paid over to a beneficiary and the beneficiary disposes of them. If transfers are eliminated, future taxes are done away with.

Generation Ahead

He said it is important to look ahead a generation. Successive transfers are what dissipate estates and as many future transfers as possible must be eliminated. It is well to tie up the property in trusts as long as the rule of perpetuities will allow, providing a guaranteed income for as many years as possible. Long range planning is vital and that is why the position of the agent is so important today, he declared.

Mr. Seefurth touched on the question of creditors rights. Most states provide that cash values are free from creditors claims. However, he expressed the belief that a wife, to whom a policy had been assigned absolutely, would not be protected against claims of her creditors. Those values would be just as much subject to claims as would bonds if owned by her.

Insurance Perfect Instrument

That, he said, is another reason in favor of an assured making disposition of the policy and then assigning it to a trustee to be held and putting a spendthrift clause in the trust instrument.

Insurance, he remarked, is a perfect instrument when it is properly used. "Why," he asked, "makes it an imperfect thing through ignorance?"

The spendthrift clause in the insurance contract itself, he said, gives protection only when the policy becomes a claim, it does not protect the cash value.

Testamentary Trust

Where there is an absolute assignment to the wife, the property becomes

hers and if she predeceases the insured, the cash value must go through the hands of her executor or administrator. Therefore, the wife should make a will disposing of the policy. If she gives the policy to the insured it throws the problem back in his lap. What she should do is set up a testamentary trust under her will directing the trustee to hold the policy for the benefit of her survivors, with provision for payment of the premiums.

Effect of Gift Tax

As for the gift tax, he recalled that the donor may give as much as \$5,000 a year to a beneficiary with the one provision that it must be a present gift and not a gift of future interest. Then there is permission until Jan. 1, 1936, to give a lump sum of \$50,000 and \$40,000 thereafter.

The question was asked as to the amount of the gift when a father buys an immediate annuity for a daughter, she to get the income as long as she lives. The gift, he said, is the amount of the premium.

Another question: What if a man should buy single premium retirement annuities of \$5,000 for each of his children, he to be beneficiary of the death benefit. The answer is that the father hasn't made an outright gift. It would be well to name the mother death beneficiary.

Treasurer Jones Reports Finances Are in Good Shape

The report of Robert L. Jones, perennial national treasurer, showed total receipts for the year of \$121,209, including \$65,607 from membership dues, an increase of about \$10,000 over last year; sales costs, \$34,505; administration and general expense, \$83,213, leaving the net income \$3,489, nearly \$2,000 higher than last year. Assets have increased about \$6,000 and surplus about \$3,200, in spite of an increase of \$6,000 in deferred dues. He referred to the fact that on account of the fact that there was a surplus on hand, it was possible for the association to aid in a dignified but effective campaign against inimical legislation in congress.

The sales of books shows a reduction of about \$1,000, which Mr. Jones says seems to be a normal annual reduction for a number of years past. The report of the publications committee, prepared by Chairman C. L. McMillen, Northwestern Mutual, New York, showed a loss for the year in the book department of \$3,840, but commented that if this department were eliminated the percentage of overhead expense now allocated to it would have to be borne by the other departments. It also commented on improvements made in "Life Association News." In McMillen's absence the report was presented by A. Walton Litz of Nashville, a member of the committee.

THE NEBRASKA GENERAL AGENCY OF THE NORTHWESTERN MUTUAL LIFE CONGRATULATES THE NATIONAL ASSOCIATION ON ITS SELECTION OF THIS CITY FOR THE MEETING, AND COMPLIMENTS THE MEMBERS OF THE FRATERNITY IN DES MOINES ON THEIR SKILL AND COURTESY AS HOSTS.

FRANKLIN MANN, GENERAL AGENT AND ASSOCIATES, OMAHA.



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Greetings!

To all Life Insurance Fieldmen and Company Executives attending the Forty-sixth Annual Convention of the National Association of Life Underwriters, we extend Greetings and Best Wishes.

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The National Life
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TO

COME to HOUSTON in 1936

(TEXAS CENTENNIAL YEAR)

Insurance for Tax Purposes Helps Put Estate in Order

(CONTINUED FROM PAGE 8)

your client has no other insurance, he will have to divest himself of \$325,000 of the above insurance, the premium on which is about \$220,000. If this transaction is accomplished this year, the gift tax thereon would be about \$15,600, but the life insurance policy will pay an annual dividend of approximately \$2,500 a year which will entirely pay this gift tax in about six years.

Shows Basic Uses

This simple example shows the basic uses that can be made of life insurance and annuities in connection with bettering the client's position when considering income, gift and estate taxes, and from this I feel we can make the following general conclusions:

(1) Life annuities can be used to great advantage in improving the net return on any client's financial setup.

(2) Life insurance can be used to pass a larger proportion of an estate on to the beneficiaries at death than any other form of asset.

(3) More ultimate value can be passed on to beneficiaries through present gifts of life insurance than by giving any other asset.

Money for Taxes

In conclusion, there is one other point to which I would like to call your attention. The estate of any wealthy client you may have will have substantial estate and inheritance taxes to pay, the best you can do, and your client can better amortize these expenses through the use of life insurance than through any other assets.

First: His death, which creates the tax debts, also matures the insurance contract which in turn furnished the cash when needed. This makes it unnecessary to sacrifice any assets through forced sale in order to obtain cash for tax purposes.

Second: Such life insurance when properly handled can be made tax exempt and no other asset can.

Third: The life insurance proceeds may be left with the insurance company to earn interest until needed. For their own protection executors would have to turn other assets into cash as soon as possible as they are personally responsible for the payment of the inheritance taxes.

I personally believe that we of the life insurance fraternity have it in our power to offer the best possible kind of aid to our clients in helping them put their estates in order when considering income, gift and inheritance taxes.

L. A. SPENCER, Equitable Life, Youngstown, O.: I was not clear about your statement in regard to the income tax on a life annuity. Would you please restate that?

MR. CLARK: An income tax on a life annuity is this: Under the federal income tax law, 3 per cent of the purchase price of an annuity must be returnable each year as income, and it, therefore, falls into whatever bracket the top of the man's income would be, but, of course, it is considerably less than the income tax that would be paid on any taxable income from any other source, if a man is in any sort of a bracket.

DR. C. E. ALBRIGHT: I understand there is considerable doubt as to the constitutionality of that 1934 law compelling the return of 3 per cent of the premium as income.

MR. CLARK: I have heard that discussed and when we were in Washington we spent two weeks fighting this thing. I question myself the theory that some of it is unconstitutional because the bill is based on a supposed agreement that 3 per cent is earned income on the investment and that the balance of it is principal, which is not taxable. In other words, the tax is based on the theory that we are able to earn 3 per cent. That is why it is that low.

J. FRANK HOLMES, Indianapolis: You set out there in your illustration that this man you referred to would still have a net income of \$5,000 in excess of what his income would be under the other plan, but that would not apply in the event he did the second thing that you recommend, to take that same amount of money and invest it in this single pay life.

MR. CLARK: That is perfectly true. You can give a man an option.

MR. HOLMES: He has alternatives, but he doesn't have all of them.

MR. CLARK: He still has as much income even if he buys the single prem-

ium life. It is an option there.

MR. HOLMES: But he can't have the income and the capital both. I was afraid some might misunderstand you.

MR. CLARK: I want to bring up this other important point. I don't think anybody here, with few exceptions at least, has any conception of what the new inheritance tax does to the small fellow. We all have the idea that it is very bad for the people at the top. It is very bad for the people over \$6,000,000 or \$8,000,000, but it is still worse relatively for the man down in the \$100,000, \$200,000 and \$300,000 brackets.

I think the tax on \$100,000 estates has increased from \$3,000 to \$15,000.

So even though we are million dollar producers and some of you don't want to write tens and fifteens, we still think it is a good idea.

Oklahoma City Delegation

The Oklahoma City representation includes: C. C. Day, Pacific Mutual; Robert H. Carter, Connecticut Mutual; L. C. Mersfelder, Kansas City Life; J. A. Todd, National Life; George Summy, Phoenix Mutual; Theo. Green, Massachusetts Mutual; Tom Reed, Great Southern. E. E. Dale, secretary, officially represented the Oklahoma association. Others in the party are R. W. Dozier, Miss Pearle Easley, Miss Corinne Breeding, publicity director for the Pacific Mutual.

Furey National Council Dean

W. M. Furey, Pittsburgh general agent of the Berkshire Life, who is serving his seventh consecutive term on the executive committee and now on the national council from the Pittsburgh association, is easily the dean of that organization. The Pittsburgh association has had only three national executive committeemen since its organization. Mr. Furey is also the dean of the Berkshire's general agents. He is now rounding out his 49th year with that company.

Ousted Commissioner on Hand

Conn W. Moose of Omaha, who was recently ousted as insurance commissioner of Nebraska, is fraternizing at the convention since he is a former general agent at Omaha for the Home Life. Mr. Moose has decided not to contest his ouster because of the time and expense that would be involved. He is interested in making a new life insurance connection either in a home office or as general agent at Seattle where he started in the business.

Judge Elliott Between Fires

Because of the large number of Texas friends made by Judge Byron K. Elliott when he was manager and general counsel of the American Life Convention, the Texas contingent insisted that he ought to lend his support to Houston for the 1936 convention.

Judge Elliott decided, however, that his present connection with the home office legal department of the John Hancock Mutual Life should take precedence and announced himself as a Boston booster. He was accompanied to the convention by Henry G. Schafer, supervisor of general agents, and Harry L. Knox of the home office agency department.

HERE IS A Non-Technical Book ON WILLS

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It treats the subject from a point of view of the life insurance man. Every underwriter who means to be a real advisor of his clients will want his copy of WILLS.

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TO get the best results from THE ESTATE-O-GRAPH it is important to understand thoroughly all the possibilities of the service as applied to the job YOU want it to do. For this reason we recommend that you get in touch with the nearest representative of the National Underwriter Company and ask him to call and discuss THE ESTATE-O-GRAPH with you.

Any of the following men can answer any of the questions you may have and can show you exactly how THE ESTATE-O-GRAPH is used by others, and how it can best be employed to aid in your particular selling job.

CHICAGO—Otto E. Schwartz, William A. Scanlon, Roy Landstrom, Albert Cutler
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NEW YORK—W. J. Smyth
1200-123 William St., Phone Beekman 3-3958

SAN FRANCISCO—Frank W. Bland
507-8-9 Flatiron Bldg., Phone KEarny 3054

HARTFORD—Ralph E. Richman
Room 802, 18 Asylum St., Phone 7-1227

CINCINNATI—George C. Roeding
420 E. 4th St., Phone Parkway 2140

DALLAS—Fred B. Humphrey
1218 Kirby Bldg., Phone 2-4491

DES MOINES—Robert J. Chapman
627 Insurance Exchange, Phone 44417

PHILADELPHIA—Harry C. Mountain
1127 Fidelity-Phila. Bldg., Phone Pen 3706

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Pictures, more than any other single feature have been the distinguishing mark which has set THE ESTATE-O-GRAPH off from the ordinary, mine-run insurance advertising. In the new ESTATE-O-GRAPH, this feature is still further emphasized. At the suggestion of franchise holders, the ESTATE-O-GRAPH becomes more than ever a picture publication.

These large, effective, true-to-life pictures are arranged to dominate the pages, with a minimum of explanatory text. In the new ESTATE-O-GRAPH, the front cover is a picture, and your title and heading on this front cover is handled so that it ties in with the picture.

Pictures are interesting. They are readily understood. They put the story across with a flash, in the most effective way—visually. The pictures used in THE ESTATE-O-GRAPH are specially posed. They dramatize the functions of life insurance, visualize its many benefits.

2. Comes to You FOLDED

THE ESTATE-O-GRAPH will now be received by franchise holders folded and all ready to insert in standard No. 10 envelopes. The folding will be done better (by machine) than was possible with hand folding in the old style.

THE ESTATE-O-GRAPH is made for the busy life underwriter who realizes that he makes his money by selling, and not by fussing around with a lot of petty office details. Franchise holders told us that this folding was a bigger proposition than we realized. We have therefore arranged to do the folding for you, and at no added expense.

3. More Convenient Size

The new size is just right to slip in your pocket and carry with you for use in visualizing your sales presentation, or to leave with your prospect. ESTATE-O-GRAPH users told us that a size convenient to carry in the pocket would be a distinct advantage, since it would permit them to distribute a part of the copies personally.

Furthermore, this new size is just right for the prospect to slip into his pocket to read later, if he hasn't the time to look through it immediately.

This size is just right for mailing in a No. 10 envelope, also as an effective mailing piece without envelope.

4. More Individuality

There is more space for your own special copy in the new ESTATE-O-GRAPH. If you mail the copies in envelopes, you have the entire back page for your own special copy.

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This is in addition to your name, which goes on the first page. Even if you do not mail copies in envelopes, you have two spaces for your own special copy. If you wish, you may use a special title instead of the title "THE ESTATE-O-GRAPH", to individualize your copies still further.

A logical place is provided for the title, at the top of the front cover, with just your name below it. Additional space is also provided for your own advertising on the back page. This gives you more space for your own copy, and a more logical arrangement for it.

5. Looks Better When Received by Prospect

THE ESTATE-O-GRAPH comes to the prospect cover side up with no folds through the cover. The folding is parallel to the back bone, so that your mailing piece opens up easily and naturally. There are not a lot of creases coming through the pictures and text.

This point is particularly important. THE ESTATE-O-GRAPH is your messenger. It ought to present a neat and dignified appearance to represent you properly in this respect. THE ESTATE-O-GRAPH does, with its roto-gravure printing, and its neat, dignified arrangement unmarred by wrinkles and creases.

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Leading life underwriters in the U. S. and Canada have found THE ESTATE-O-GRAPH plan to be a very effective one. They have tested it out for you. The plan is right. We know it is, because those who use it stay with it, year after year.

But we were no more satisfied with THE ESTATE-O-GRAPH than you were with your last year's production record. We thought it could be improved, and we thought the underwriters who use the service would be able to tell us how to make it more effective.

Their suggestions have been embodied in a new ESTATE-O-GRAPH. The plan, interesting prospects in advance of a call by means of a carefully worked out pictorial appeal, has not been altered. But the service itself has been changed, and improved to make it more practical, more convenient, and more effective.

More Sales for You at Less Cost

THE ESTATE-O-GRAPH, sent to prospects in advance of calls, overcomes the hardest part in selling life insurance. It gets you in. It interests people in some particular phase of life insurance as applied to their own personal problems.

Use of THE ESTATE-O-GRAPH means more carefully planned work, means calling on interested prospects, means an end to the most disheartening part of life insurance selling—cold canvass.

The coupon below will bring you samples of the new ESTATE-O-GRAPH with a complete description of THE ESTATE-O-GRAPH plan. To get full details regarding the plan involves an investment of 25c, which is returned to you if you decide that you cannot use the plan to good advantage, and return the portfolio with the sample copies.

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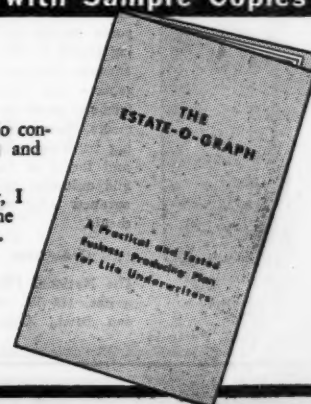
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Recommendations for the C. L. U.

By S. S. HUEBNER
President American College

As president of the American College of Life Underwriters and on behalf of the other executive officers and members of the board of directors, I am happy to congratulate all of you upon having completed so successfully this difficult course of study and upon receiving the C. L. U. designation, the certificate of proficiency, and the special certificate in agency management.

To those who have been awarded the C. L. U. designation, I desire to emphasize the following five all-important recommendations:

(1) That you affiliate with and support in every practical way your local or nearest C. L. U. chapter. Such affiliation will give to you not only the advantage and pleasure of personal contact and association with other C. L. U.s, but will assist materially the national chapter in carrying out its useful program of work, so helpful to the progress and extension of influence of the American College.

Supporting the Associations

(2) That you affiliate with and support in every practical way your local life underwriters association as well as the National association. The advantages of such affiliation are many and great and you should do your part in helping the duly constituted associations in your business to extend the progress and effectiveness of your calling.

(3) That you should never forget that your life's work has a serious purpose and that you should therefore do your utmost to attain a worthwhile record of production along right lines for the good of yourself, your family, your agency, your company, and the community.

(4) That you should continue your studies hereafter throughout your working life. Your field of activity is an immense one, from the standpoint of knowledge acquired through study. The C. L. U. program, extensive as it is, by no means represents all the knowledge that needs to be mastered. It should have whetted your appetite for more, and should have paved the way for you for a continuity of effort educationally.

Commercializing the Designation

(5) That you should never forget the responsibility that the designation of C. L. U. carries with it. As every C. L. U. group in past years has been admonished: Every Chartered Life Underwriter should conduct himself or herself at all times with honor and dignity, inflexibly avoiding practices that will bring dishonor or reproach on the life underwriting profession or the C. L. U. designation. You should at all

times refrain from what might appear as commercializing or misusing the designation, or an attitude of indicating a superiority complex. Be humble, because the more educated a person is the humbler he should be. Acquisition of knowledge should show, as nothing else can, how much more remains to be acquired. Be industrious and serious in your work, and give generously of your ability, not only to your clients, your fellow underwriters and your company, but also to the improving of methods, conditions and standards in life underwriting.

In your future relationship with clients never forget the supreme importance of rigid adherence to the highest ethical standards. In closing these exercises, I administer to you the following specific charge—an adaptation of the golden rule to the daily work of the life underwriter:

"Have I, in the light of all the circumstances surrounding my client, which I have made every conscientious effort to ascertain, given him that service which I, had I been in the same circumstances, would have applied to myself?"

Vetoed Income Program, Now

Is Department Store Clerk

(CONTINUED FROM PAGE 4)

on which I was to make a lot of money. Less than three months after, my brother-in-law lost his position and the firm went into bankruptcy, and it developed that he did not know as much about the inside financial workings of the firm as he thought he did. With the bankruptcy went my \$15,000.

Went Into Stock Market

I was eager, of course, to get what financial men call "spread" so I went to the only other person I knew who was successful. He happened to be my husband's oldest and most intimate boyhood friend and the fishing companion of his youth. This man was a man of parts, making a lot of money in his business and in the stock market on the side. He was generous enough to want to do as well for his best friend's widow; and I, of course, followed his advice and bought the stocks, on which I made some money. I also bought them on the system and method that he was using. I discovered for the first time that the word "pyramid" did not always refer to the everlasting monument of ancient architectural achievement. It was a term commonly used in making money if you wanted a lot of it on the stock market; and I did want a lot. The word "margin" used to mean the distance one went on a letterhead when you wrote a letter. That is, I didn't know the full meaning of these terms until the latter part of 1929—some six months after my husband died—and the early part of 1930.

Lost All She Put In

Of course, you gentlemen would not know the meaning of those terms because you're in the life insurance business and I understand that it is one of the outstanding tenets and beliefs of your profession not to purchase common stock and to recommend to others that they stay away from it, and you would, of course, not know anything about this. But for your benefit, I want to remind you that 1929 and 1930 was a year! I lost not only my profit in the stock transaction but the \$20,000 I had put in.

I still had \$5,000 in cash of the \$40,000 my husband left me. With \$15,000 lost in my brother-in-law's business, \$20,000 with my husband's best friend, I knew enough to appreciate that \$5,000 was nothing to invest on an income basis because it was too little. I looked around to find a place to put it where I myself would manage it and watch it, and have a chance to earn a living. I found an ideal spot and acquired the privilege of investing in the half-interest of a very

good looking and well equipped restaurant for my five thousand. With a half interest in that I could work and earn a living. I felt, too, that I was going into a business I knew something about—cooking.

Had to Mortgage Home

Immediately after I invested the \$5,000 and started to work, I found out that the cooking would not be enough although I knew that it would be good. I did not realize until it was over that the fact that very few people passed that location meant that very few came in. You see I had not been a professional real estate locator. The answer and the result of that investment you gentlemen can guess.

I was without funds now and I had to mortgage my fully paid home to exist and take care of my son and daughter. The daughter in the meantime had graduated from high school and went to Campbell's business school instead of Western College for Women, where her father and I had always planned to have her go, I having gone there myself. Just this year the boy graduated from high school, and as you might surmise, it has not been easy. At the present time, having graduated from high school, he is an errand boy and happy for the job—and will not play on the freshman team at Ohio State where his father had played before him. My daughter is very well off, having a job in an office, and helps to contribute towards the family's existence.

Behind Department Store Counter

As for me, I am spending my time now behind the counter in one of our department stores in the city of Cincinnati, selling and helping the women whose husbands did not take their advice about investments as mine did. My house now is fully mortgaged, and in the last few years I have been unable to pay even the interest, to say nothing of the principal. Very little of it is mine.

When my brother-in-law discovered a few months after that he did not know as much about the inside workings of the corporation he was working for, he lost his job and was broken hearted for the money I lost but that did not give me back my \$15,000. When my husband's best friend lost \$20,000 in the market for me when he hoped to make a lot, plus his own, he too had the burden of the moral responsibility towards me but that did not give me back my twenty thousand. I must say for him, however, that that investment paid some dividends because he was the one who succeeded in obtaining for me the job I now have, which may not be much to some of you gentlemen, but it is an opportunity to earn a living, if not a good one. All of which proves just how much better I was as an investor than a life insurance company could have been.

I want to leave just one sentence in your minds—if any man you're about to sell ever tells you his wife can take care of the money he leaves her, please tell him that mothers prefer college for their sons and daughters, and more than that 43-year-old mothers get awfully tired in the afternoon standing behind a sales counter; and because of that they're not very pleasant or agreeable companions for young daughters and adolescent sons.

National Life Luncheon

About 50 representatives of the National Life of Vermont gathered for a luncheon Wednesday. C. C. Gilman, who represents the company at Boston, and is the famed wit of the National association conventions, presided as usual. Karl Gumm of the home office agency department was present and Adam E. Littig of Davenport, Iowa, midwest supervisor.

Ohio National Men Gather

E. E. Kirkpatrick, agency superintendent of the Ohio National Life, rounded up the dozen or so representatives of his company in attendance for a luncheon Thursday.

Husband's Foresight Enables Wife to Fulfill Promise

(CONTINUED FROM PAGE 4)

that money to pay for his funeral. I had no doctor bills to pay because he died suddenly. We paid off some bills of long standing that had been accumulating and starting with the first month thereafter, I have been getting \$150 a month which will be paid to me for five years.

Her father and I had always hoped to send Helen to college, but that is out of the question, and we are very grateful for the \$150 a month because with the Helen can take a commercial course this year and prepare to go into business. Lucille is now in the third year of high school, John is 10 and in the fifth grade. With the \$150 a month am getting, I can see John almost through high school, when the girls will be self-sufficient or married, and they can help some if they choose to pay their brother through school.

Income Provided For Life

At the end of the five years there will be \$10,000 left for me, which I may not have in one amount but I do have the choice of taking some kind of income arrangement which I understand will run about \$55 or \$60 per month as long as I live. When I think of the idea of my getting that much money as long as I live, I am almost as glad as I am for the money that will give me the opportunity to raise the children to maturity.

My mother, as you remember, never had it easy. My two sisters-in-law were not always as kind and considerate as they might be, and my husband—who was kindness itself in most situations—did not always appreciate how much my mother did in helping to raise our children when they were infants. I have heard it said that grandmothers live to raise their grandchildren. I never had the feeling that she was very happy in doing it; and I am glad it will never be necessary for me to do it.

Keeps Promises Husband Made

As a so-called expert, you gentlemen ought to be interested in knowing the kind of things that go on in the minds of women left alone to raise a family. Especially since it's not necessary, I am glad that I will not need to send any of my children to a public or religious home to be raised while I am working. I was glad to continue the promises my husband made last winter to my two daughters, who are adolescent and have an eye for the opposite sex; I was glad that I could buy them a season membership in a local semi-public swimming pool where all the boys and girls in the group of the neighborhood meet socially. It was not much as money goes, but it might have been, and I kept my husband's promise.

Perhaps you will think this is not important, but I also kept a more important promise that my husband had made to my son. His father was a typical American enthusiast on the subject of baseball, so common in American small cities. Last winter, before he died, he promised my son a first baseman's mitt and he in his 10-year-old mind could not see why the promise should not be kept—I was glad to keep it.

Small Cost Symbols

Those seem to be the small cost symbols of the things I was glad to be able to do; and I am happy I can do them and to be absolutely truthful with you—especially since I have the means to buy it—I am never as grateful for the right to buy bread and butter as I ought to be.

Considering our loss and our tragedy, and it was a tragedy, I would say that the Hunter tribe will be indebted all their lives to the insurance man who told my husband how to leave what he bought. After listening to Mrs. Walton I am grateful that my husband did not think I was entitled to any expert opinion.

Des Moines men insist they made good on their promise of a "hot time."

LIVING TRUSTS

By Gilbert T. Stephenson



COVERS

Living trusts as business enterprises, purposes served by living trusts, by life insurance trusts; legal aspects, tax features, forms of trust agreements, forms of living trust agreements, and forms of funded and unfunded life insurance trust agreements.

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